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# FINANCIAL TIMES

No. 26,732

Thursday July 31 1975

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## NEWS SUMMARY

### GENERAL

## Nigeria officers purge regime

Nigeria's new ruler, Brigadier Abdulsalam Abacha, announced the compulsory retirement of all the country's top military officers, state governors and police chiefs in what appeared to be a clean purge of the old administration.

Broadcasting on Lagos radio and television, Brigadier Abacha said the deposed leader, General Yakubu Gowon, would be retired in his rank "in recognition of his past services" and would be free to return. But he accused him of lack of consultation and indecision.

In Kampala, General Gowon calmly acknowledged his overthrow with a quotation from Shakespeare. Five other African leaders suddenly left the OAU summit for home. Back and Page 5

## Big two hold arms talks

President Ford and Mr. Brezhnev are understood to have made some progress on the strategic arms limitation issue when they met for two hours during the first day of the 35-nation European security conference in Helsinki. They also discussed the Middle East. Mr. Harold Wilson impressed Western delegates with his tough insistence on the need to respect human rights. Back Page 6

## China attacks Soviet 'aims'

China launched a series of bitter attacks on the Soviet Union, accusing her of seeking "to swallow South East Asia at one go." China also revealed that she has built entire underground cities for use in nuclear war. Page 5

## The big heat

Another very warm day is forecast today, in the wake of yesterday's highest London temperature for two years—30°C (86°F). England's hottest place was Bognor, Oxfordshire, with 31°C (88°F).

## Lisbon warning

Portuguese security chief General Otelo de Carvalho gave a warning of "severe repression" as the army's political command moved to legislate the new three-man military directorate of which Carvalho is a member. Page 6

## Spanish arrests

A Spanish army major and six captains, thought to be supporters of Prince Juan Carlos, were arrested at the headquarters of the first military region in Madrid. Page 6

## Labour revolt

Rejecting an appeal by Employment Secretary Mr. Michael Foot, 91 Labour MPs voted against the Government in an unsuccessful attempt to insert greater picketing rights into the Employment Protection Bill. Page 12...

## Detainees out

Three prisoners were freed from Ulster's Maze prison, leaving 241 men, all Republicans, still detained. Six guns and some ammunition were stolen from a power station near London. In Belfast a 21-year-old man was shot in both legs. Page 16

## Briefly...

Canadian student Cynthia Nicholas, 17, set a new women's record for swimming from France to Dover—nine hours, 46 minutes.  
 Construction company Marples Ridgeview agreed to pay £38,000 damages and costs to Mr. Thomas Donohue, 25, who received spinal injuries while working on a railway site six years ago.

## CHIEF PRICE CHANGES

(Prices in pence unless otherwise indicated)

RISERS:	
BTR	122 + 5
Dawson & Barlow	37 + 4
Macarthy's Pharms.	32 + 3
Minotomine	272 + 6
Pennington	212 + 20
Paton & Zuckerman	240 + 40
Peko-Wallend	215 + 13
Urban Minerals	23 + 7
Van Alstyne	91 + 21
FALLS:	
Treasury	1987-90 £11 - 1
Treasury	710 2012-13 £26 - 1
Arrow Steel	252 - 10
Barbrook & Wilcox	83 - 4
Barclays Bank	243 - 5
Bechem	370 - 7
Continental	178 - 5
Any Int'l	182 - 6
De La Rue	142 - 16

### BUSINESS

## Equities down 3.3: Wall St. up 6.8

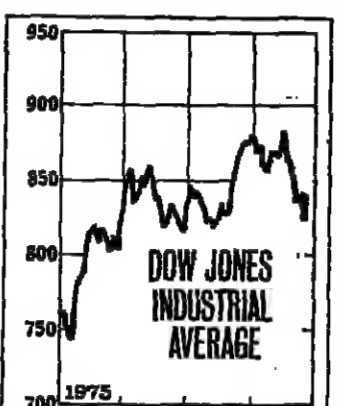
● EQUITIES were quietly dull and sensitive to rumour. Other depressants were further rights issues and the bearish views of some chartists. The FT 30-Share Index closed 3.3 down at 288.5 after losing 5.1 at 2 p.m.

● GILTS encountered nervous selling, mainly on sterling fears. Losses ranged to 3. The Government Securities Index lost 0.41 to 80.42.

● STERLING fell 120 points to \$2.1635; its weighted depreciation widened to 25.8 (25.6) per cent. Dollar's fall narrowed to 3.07 (3.16) per cent.—its best since February 1974.

● GOLD lost 30 cents in quiet trading, closing at \$187.

● WALL STREET rose 6.5 points to close at 831.66. The increase seemed to spring from



"internal dynamics," after several analysts had considered the market "oversold."

● NEW YORK CITY Mayor Mr. Abraham Beame deferred without explanation his deadline for reaching agreement with the unions on the city's economy measures.

## Gas prices go up 20 per cent.

● GAS PRICES are to go up by an average of 20 per cent. from October. The Gas Corporation lost £12.3m. in the last financial year, but the increases should mean a return to profit this year. Back and Page 8

● TRADE UNION leaders in the steel industry have reluctantly endorsed BSC plans to cut labour costs by selective dismissals and earnings cuts. Back Page 1.

● BANK OF ITALY Governor Dr. Guido Carli has resigned despite efforts to persuade him to stay. Page 5

● COMPANIES which lose money through strikes caused by adherence to the 48 pay pact should get Government compensation, says Beecham chairman Mr. Graham Wilkins. Page 8

● ASMS full-time divisional officers threaten to strike from Friday over the sacking of a trainee.

## COMPANIES

● BTR proposes to raise about £5.7m. by way of a one-for-five rights issue at 90p a share. Page 16

● DE LA RUE first quarter profits fell from £2.5m. to £0.77m., reflecting the continued downturn for plastics products and industrial action in security printing and other areas. Page 16

● BATH AND PORTLAND Group reports "better than expected" first half pre-tax profits of £514,814, against £802,433, before redundancy payments of £283,572 (nil). Page 17

# Government rejects criticism of Benn over Court Line

BY ARTHUR SANDLES

The crucial finding of two separate reports on the Court Line collapse of last summer—that Mr. Anthony Wedgwood Benn went too far in re-assuring holidaymakers customers of the company only weeks before the group sank—has been rejected by the Government.

Some 100,000 holiday-makers have yet to have their money refunded and the Parliamentary Commissioner, Sir Alan Marre, and three Department of Trade inspectors, say that Mr. Wedgwood Benn's assurances were unhelpful.

But, to the fury of Tory MPs, Mr. Wedgwood Benn himself sat silent while Mr. Peter Shore, the Trade Secretary, told the Commons that the statements made "were right in the difficult circumstances at the time."

Mr. Shore said: "Of course we do not brush aside the conclusions of the report. But we have come to the conclusion in the face of obvious difficulties that we disagree with the finely balanced judgment reported by these two inquiries."

The Ombudsman's report says that the statements made by Mr. Wedgwood Benn on June 28 and July 1, 1974, went too far. "We have not been persuaded," says Sir Alan, "to modify my own view that insufficient regard was paid in the statements to the principle that undue confidence should not be created or maintained."

He goes on to say that the Government cannot be absolved of all responsibility for holiday-makers' losses arising from the Court Line collapse. He makes mention of the Air Travel Reserve Fund which has been set up with an offer of a £15m. interest free loan from Government.

Parliament Page 12  
 Editorial comment and background to the affair Page 14

of customers of Court Line affected by my report, there was nothing in the Bill to prevent that."

But Mr. Shore told the Commons that this was not a case in which any legal liability arises. "The Government's statements were not phrased or intended to give a formal guarantee and did not do so."

He went on to say that the Government had decided "that no further payment out of public funds would be justified."

He said that there were important wider issues of public policy involved. The Government's view should be a debate. When prodded about the silence of Mr. Wedgwood Benn, Mr. Shore said that the former Industry Secretary was "looking forward to an opportunity to speak for himself."

The Ombudsman's assessment

of Mr. Wedgwood Benn's role received support from the report of the three Department of Trade inspectors into the effect of his Commons statements. They say: "We feel constrained to regard each of the statements in question as assuring Court Line, 1974 summer holidaymakers on behalf of the Government that they would have their holidays."

"The words used and the context seem to us capable of no other meaning to ordinary listeners and readers."

The report refers to various statements made by the Government during the run up to the final collapse of the company. "We are of the opinion that individually and collectively all the references to holidays and holidaymakers are to be criticised for going too far by way of assurance to holiday-makers without sounding any note of caution or reserve."

"The responsibility rests, we consider, not only with Mr. Wedgwood Benn, but also with the Government because prepared statements followed from collective discussions and decisions by Ministers and were in line with conclusions reached by them, while the other statements, though solely Mr. Wedgwood Benn's, were in our view in the same vein and to the same effect."

It goes on to point out that

Continued on Back Page

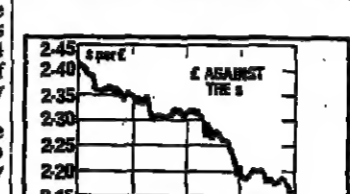
## Pound falls to new low against \$

By William Keegan,  
 Economics Correspondent

THE STERLING dollar rate yesterday closed at an all-time low of \$2.1630-40 against \$2.1755 on Tuesday.

This fall has occurred despite the U.K. authorities' attempt to arrest the slide in the dollar-sterling rate by raising interest rates last Friday.

For some time, the dollar has been firming markedly against most key currencies as a result of renewed confidence in the



U.S. economic situation, reinforced this week by good U.S. trade figures.

## Shielded

The pound was being shielded from this process by the normal July build-up in demand for sterling for royalty payments to oil-producing countries. This influence has now come to an end.

Sterling also fell a little on a weighted basis yesterday—from 25.6 per cent to 25.8 per cent below the 1971 parity.

This is still far less than the depreciation reached before the incomes policy measures were unveiled earlier this month. The basic point being that since then the pound has strengthened against some other key currencies, although the dollar is certainly not among these.

It must be stressed that this is only the lowest closing dollar-sterling rate. At one stage in January 1974 the pound fell below \$2.16.

£ in New York

	July 30	Previous
1 month	\$2.1630-40	\$2.1750-60
3 months	\$2.1630-40	\$2.1750-60
12 months	\$2.1630-40	\$2.1750-60

## U.K. wealth still highly concentrated

BY MICHAEL BLANDEN

TAXES on incomes have had little effect in reducing the inequalities of earnings in this country, and wealth is highly concentrated despite a fall in the share owned by the richest people.

This is shown in the first report produced by the Royal Commission on the Distribution of Income and Wealth, an important study published yesterday.

In a second report, the Commission also implies that dividend restraints could lead to the supply of investment funds drying up, if shares are not able to produce a competitive return.

The first report shows that there has not been any very pronounced change in the distribution of income over a 15-year period from 1959 to 1973-74.

One of the significant conclusions for official policy is that while income tax has some effect in equalising income levels, it is almost completely offset by the counter-effect of indirect taxation. Taxes levied on goods and services hit the lower-paid harder, and balance the benefit they gain from lower income taxes.

The report draws particular attention to the impact on both income and wealth of State pensions and other benefits. Taking the "social wage" into account—including state education and the Health Service—has a major effect in redistributing income from the better paid to the lower paid.

At the same time, it is shown that State pensions are worth a considerable amount to the individual, and make a big difference to relative levels of wealth.

The report on a highly sensitive political issue, has been produced by the Commission in less than a year since it was set up, at the request of the Government.

Lord Diamond, chairman of the Commission, said yesterday that he was satisfied that the figures it shows were sufficiently authoritative to command respect.

The report is accompanied by a second, covering the income from companies and its distribution. This deals with dividend income and unlike the purely fact-finding report on income and wealth, has allowed the Commission to give its own comments on some aspects of the subject.

The Commission accepts the arguments that equity capital plays an essential role for private sector companies, as a basis

to raise other forms of finance and to weather fluctuations in profits.

The bulk of equity is raised through retained profits. It is pointed out, but the Commission still sees an important role for outside capital.

It goes on to accept that dividends are one of the important determining factors of share prices. The report suggests that constraints such as dividend limits which distort the relative dividend levels of different companies can hamper the process of allocating capital.

"In the longer term the returns to equity holding much be competitive with the returns which investors can obtain on alternative investments. If they are not, it is unlikely that the past level of savings for equity investment will be maintained."

Personal wealth, the first report shows, is much more heavily concentrated than incomes. Relying

Continued on Back Page

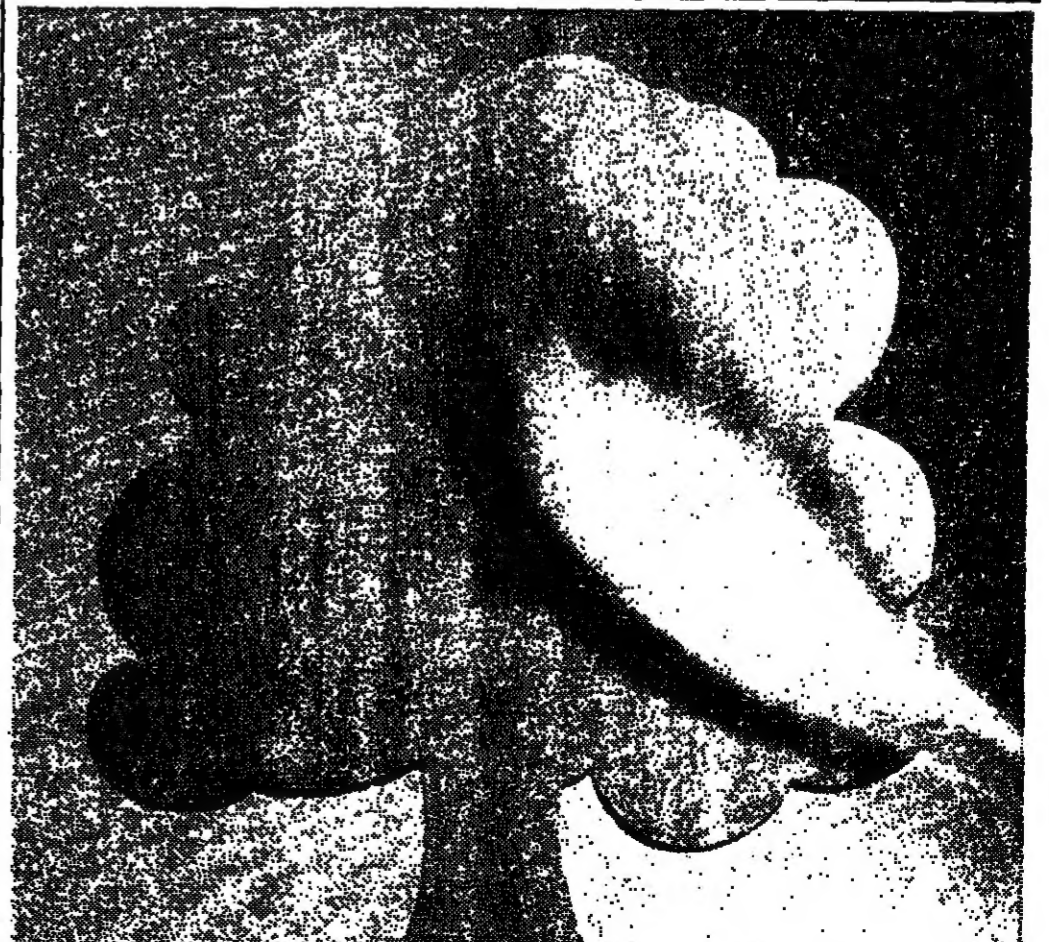
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## The Fireproof Tree

During the first six months of 1975, £57.2 million worth of buildings and stock went up in smoke in England, Wales and Scotland.

The finger of blame can be pointed at materials and furnishings of all kinds. But the absurd thing is that so many of these catastrophes need never have happened.

In the International Timber Organisation there is a company that specialises in fireproofing.

By the use of pressure impregnation, special paints and varnishes, they can virtually extinguish the fire problem as far as wood and its associated products are concerned.

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# Don Carlos by ANDREW PORTER

The Munich Opera Festival, three and a half weeks of July and August with one opera, and sometimes two, every night, does not have quite the glamorous reputation, internationally, of Salzburg and Bayreuth, but it plays a wider repertoire than either: a mixture of new productions, stills from previous seasons, and reissues of the Mozart, Wagner, and Richard Strauss operas that form the foundation of the festival. (Busts of those three masters grace the interior foyer of the National Theatre; the stairs, Verdi and Puccini close one prospect, and Weber and Carl Orff the other.) This year, the new productions are of *Idomeneo*, *Don Carlos*, and Orff's *Antigonae*; the major carry-over from the season is *Die Valküre* from Günther Rennert's Ring-progress. *Don Giovanni*, Ruth Berghaus's tasteless staging of *Il barbiere* (Rosina imprisoned in a huge, nude female torso, opening a window in its left nipple to respond to the serenade Almaviva sings clanking up a thigh), Parsifal, Falstaff, Der Rosenkavalier, Elektra, Capriccio, and Pelléas complete the programme.

Munich is dear to me, for there, in the post-war decade, while the opera still played in the Prinzregententheater, I first got to know the Strauss operas in those days not often elsewhere (*Feuersnot*, *Friedenstag*, *Die Frau ohne Schatten*, *Arabell*, *Die ägyptische Helena*, *Capriccio*, *Daphne*), and saw pieces like *Pelléas und Melisande* and Hindemith's *Candide* and *Die Harmonie der Welt*. Wieland Wagner produced Gluck's *Orpheus*. Rienzi was given in the Residenz. Solli, Kempe, Knappertsbusch, and Robert Heger were the conductors. Rudolf Hartmann and Helmut Jürgens collaborated on most of the productions. *Die Frau* was designed by Emil Prentororius and *Die ägyptische Helena*, if I remember rightly, by Ludwig Stiller. Here, and in Munich, Hamburg, was possibly the last flowering of a major resident German company with a style of its own and a corps of regular, resident singers, some distinguished and most of them capable. Names familiar from the angels (such as Hans Hotter, Hermann Nasse, and Hans Hotter) in Salzburg in 1938 would turn up in small roles, and celebrated pre-war singers mingled with a new generation—Christl Goltz, Inge Borkh, Sena Jurinac, etc.—and young Americans like Claire Watson and George London in their prime.

In 1955, the little Residenz theatre (now called the Civiltätstheater, after its architect), where *Idomeneo* had its premiere in 1781, miraculously reappeared; its interior had been dismantled and safely stored some before the structure was destroyed by bombs. Five years later, Karl von Fischer, the National Theatre, where *Tristan und Isolde*, *Die Meistersinger*, *Das Rheingold* and *Die Walküre* had their premieres, reopened, after having stood for years as a bombed shell. As a result, Munich now has the most beautiful large theatre and the most beautiful small theatre in Europe. The Prinzregententheater, declared unsafe for public assembly, is now used only for rehearsals. It is a Wagner theatre in the Wagner manner. Outside the official festival, but offering fringe attractions to the festival visitor, is the Gärtnerpark Theatre, built in 1885 as a small copy of the National Theatre. Rumpelstilzchen and Hentze (Laubmoos) are on its bill this year. The large, splendid productions of *Die Meistersinger*, *Die*



Carlo Cossutta and Eberhard Wehler

*Frau ohne Schatten*, and *Aida* which marked the first season in the newly opened National Theatre was fully described in these pages. They were still "company" performances. For example, Hildegard Hilbrecht and Jess Thomas, house singers, were the Aida and Radames; Karl Böhm conducted. But in ensuing years there were shows that made one fear that Munich, aiming at magnificence, might be in danger of becoming simply another stop on the jet-setters' itinerary, or just another Metropolitan, with audiences come to about for the stars, applaud the scenery through the music, cheer local favourites, and boo anyone in disfavour. *Don Carlos*, this year, was such a show. Ruggero Raimondi and Eberhard Wehler were in the title roles, and beyond their deserts, and in a manner which found no more to the opera than some show-stopping arias. The beautiful coda of Elizabeth's Act II romance was played to the sound of an ovation for the singer, Katia Ricciarelli, and the solemnity of the final scene was shattered after her "Toi qui sus le néant." (Some applause may be inevitable here, but a "demonstration" ruins the dramatic effect of the scene.) Eberhard Wehler was mercilessly booed, and didn't deserve it. So was Georges Prêtre—his did.

Munich announced that it had acquired "the first performance" of *Don Carlos*, the five-act *Originalfassung*. This is Ursula Günther's careful new edition, due from Ricordi, of the very long opera that was cut before its first performance, in Paris, in 1867. (The passages Verdi removed remained unpublished, and unheard until the BBC did them, in my reconstruction, in its 1973 broadcast of *Don Carlos*; the stage premiere was given in Boston at much the same time.) Munich may have acquired those rights, but it certainly didn't use them. Though still announced as *Originalfassung*, the version played was the familiar five-act revised version (as done at Covent Garden), preceded by my

newly discovered *Prélude* et introduction (as heard at the Coliseum). Moreover, the piece sung in the bad old Italian translation. Although an original language performance had been planned, the singers demanded extra pay for learning it and the chorus (whose men had been kept very busy mastering *Antigonae*) already knew the work in Italian translation, since Munich's previous *Carlos*, originally done in the Prinzregententheater, in 1961 (in German, with Claire Watson and Gottlob Frick), remained in the repertoire (but now in Italian) until last season.

That old production, by Hans Hartlieb, in bold, simple settings by Jürgen, was at its best a powerful, direct piece of music-theatre. The new version produced by Otto Schenk, designed by Rudolf Heinrich, represents a somewhat tacky attempt at grand opera splendours. Heinrich's sets are conventional in style and there is no harm in that, but they are dull and poorly painted, and fit together badly. A chunk of San Yuste peeped into the forest at Fontainebleau; gaps appeared in the wall of Philip's study; the sky-borders were awkwardly set. The stage-plans of the original 1867 *Carlos* survive, and in tricky matters like the placing of Charles V's tomb and the disposition of the masses of the auto-da-fé scene they obviously give the best musical results by bringing the right voices at the right moment; there was no evidence that Heinrich had studied them. Schenk's principal innovation was to open the Coronation Scene of Act III as a *Bauernfest*, with a very jolly crowd dressed in light pastoral colours, some of them wearing straw hats. It did not fit the ceremonial mood of the music.

Verdi made it clear that no one on stage should seem to hear the Celestial Voice at the end of this scene, but in this production Philip's progress was arrested by it, and the glowing in the direction of the Engelstimme that was interpreting his fate.

In the next scene, the curtain rose not on a Philip who had been brooding all night; he entered in a dressing-gown, clutching a casket, somehow suggesting that it was a tumble with Ebboli that had worried him. Elizabeth and Ebboli also made their appearances en negligie. Details, these: but the conduct of the whole lacked coherence form, and impetus. The local critic was moved to echo the old (pre-Verdi) judgment on the work: a piece spoiled by exigencies of the Paris Opera. He called the auto-da-fé "a scene wrung from Verdi as a reluctant concession to the Grand Bouffon"—whereas in fact this scene was, at the composer's suggestion, added to the original scenario that Paris has supplied. The desire to produce something as spectacular as the Coronation Scene of *Le Prophète* had been with him for a long time. Before *Le Veyras vicieux* and again before *Don Carlos* he rejected several subjects as being insufficiently Meyerbeerian.

As Elizabeth, Katia Ricciarelli exceeded one's (admittedly not very high) expectations. Although the voice will not do all she asks of it, there are good sounds in it, she endeavours to use it evenly and with expression, and often succeeds. Brigitte Fassbender pushed too hard, as Ebboli, belting out the arias; when a mezzo undertakes this role (which Verdi began for an Azucena, but then lifted for a Leonora) it might be as well to return to the original key. G. N. A. of the Veil Song, Carlo Cossutta's admirable Carlos was, as usual, ardently and poetically sung. Wächter's baritone has lost much of its bloom; his *clmaxes* tended to be unpeppered shouts. Alone of all the men he was not heard, he looked like a bonny farmer got up in grandee's costume. As Philip, Ruggero Raimondi did the big, obvious things in a big, obvious way and had a great success with the public; but it was an insubstantial and uninteresting performance.

Claudio Abbado was to have conducted, but he withdrew. His substitute, Georges Prêtre, produced a crude and superficial reading, not at all well played by the Munich Philharmonic, which shares the festival burden with the regular Staats Orchestra. The edition fell well with the "new" *Prélude* et introduction—but only if the opera is then performed on the scale implied by that start. In Munich there were cuts: a large section of the Act I duet, and in III most of the chorus, and Tibault introduction and a verse of Fosa's "L'Enfant Carlos." But, on the other hand, Elizabeth was allowed both verses of her Farewell to that scene, and the *allegro marziale* section of the final duet was not dropped. It seems to me that if music that Verdi discarded is to be reinstated, it should not be (as here, and also at the Coliseum), the expense of the music he decided to keep; or to put it another way, if there must be cuts, let them be those chosen by the composer.

Strictly, Fontainebleau is best followed by the remaining four acts of the original Paris version, which are emotionally and musically more expansive, rather than by the revised version, which mingles episodes from 1867 and late Verdi in the manner of *Otello*. However, a festival is a place to try things; and it will be interesting to discover what text Karajan, here assembled for the production due at Salzburg next month, saw puzzle and the completion Seymour.

## Chichester Festival Theatre

# Othello by B. A. YOUNG

At about the same time that Olivier's Shylock was conspiring against honest Antonio on the Rialto, Othello out at the Arsenal set off against the Turks. The gentlemen are wearing their smart Victorian suits, or, if in the military, blue caps and tunics laced with gold braid; the ladies' bustles recall the happy felicitates of the Du Maurier drawings in *Punch*. Only Othello himself is allowed any laxity in Finlay James's designs: he spends much of his time in his nightgown and even receives emissaries from the same Venetian War Office with his chest packed to the navel.

Peter Dewar has contrived a straightforward production. No questions here about why Iago plotted against his chief, or whether Othello truly believed him to be honest, or how the emotional and could have been effective if the director had not had such difficulty with raw material.

The evening's best performance, beyond compare, is Patricia Routledge's as Emilia. This earthy lady can make us chuckle or make us weep with no resource but her delivery of Shakespeare's lines: it is wholly due to her that Desdemona's death scene, one of the most pathetic in all the works, is so moving. Hannah Gordon gives us a Hollywood Desdemona: a hand-

some blonde girl who never does violence to the lines but seldom does them entire justice. Cassio calls Desdemona "our great all." I don't believe this young captain; Iago later subaltern wanted anything but observes "our general's wife is now the general;" but Miss Gordon is not that kind of lady at all; indeed, I haven't seen one since Maggie Smith at this same Venetian War Office with his chest packed to the navel.

Cassio too is somewhat short of personality in Christopher Casson's playing. We know how little Shakespeare thought of staff officers, but he can't have meant Cassio to be as wet as this. Othello was no great judge of character, heaven knows, but he did prefer Cassio over the lively and resourceful Iago.

When Keith Michell's Iago takes over as GSO I (we may as well try to think of it as play in modern terms when it is dressed in modern kit) it is as if he had really belonged in the job all the time. Mr. Michell dispenses no resource but the crusty sergeant-major who so often fills the hill and gives us a keen young officer—about 28, as the text says—who is more convincing when he is fulfilling his staff duties than he is moving.

Hannah Gordon gives us a Hollywood Desdemona: a hand-dramatic thoughts as "So will I turn her virtue into pitch. And out of her own goodness make the net that shall enmesh us. I don't believe this young captain; Iago later subaltern wanted anything but observes "our general's wife is now the general;" but Miss Gordon is not that kind of lady at all; indeed, I haven't seen one since Maggie Smith at this same Venetian War Office with his chest packed to the navel.

## Book Reviews

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## Covent Garden

# Symphony by CLEMENT CRISP

Kenneth MacMillan created his *Symphony*, to Shostakovich's youthful first symphony, in 1963. It received a meagre seven performances before dropping from the repertoire, inexplicably so in the light of its welcome return to the Opera House stage on Tuesday night. There had been, initially, some adverse comment on Yolanda Sonnabend's designs—the ballet was shown in a dark, cavernous setting that seemed to brood over the action—but during the six viewings I had of the ballet originally, I came to appreciate the appropriateness of Miss Sonnabend's decor, which seemed to stress the considerable emotional power of the choreography.

Now, *Symphony* has been revived in an all white set, with white costumes boldly patterned (perhaps too much so in the case of the corps de ballet girls). The effect is to minimise some of the emotionalism that colours the action; yet the ballet remains a fascinating exercise, in which overtly "plotless" choreography is still resonant with psychological comment. It is a work whose dynamic and psychic shape is only to be understood when the final pose has been achieved. At its close we may see four aspects of a central image at last reconciled, and the locking together of these pieces—the four principals—Shostakovich's long opening oboe melody, is most beautiful, and all most beautifully danced by Miss Seymour.

The key figure is Seymour. (Oddly, when Seymour was first given Miss Seymour was indisposed, and not until she assumed her role at the second performance did the ballet "jell"; a matter repeated with *Romeo* two years later.)

Seymour's presence on Tuesday night, with the grandeur, beauty and power, gave the action its heart. Her companions were Donald MacLeary, the only other members of the original cast, and Lesley Collier and Wayne Eagling, all assured MacMillan stylings.

The ballet's development can be seen to resemble a quest for that unity, that accord which is found in its final moment. Throughout there are recurrent images of questioning and seeking, and the choreography, with its bold, thick pulses and very taxing technical demands (not emotionalism that colours the action; yet the ballet remains a fascinating exercise, in which overtly "plotless" choreography is still resonant with psychological comment.)

It is a work whose dynamic and psychic shape is only to be understood when the final pose has been achieved. At its close we may see four aspects of a central image at last reconciled, and the locking together of these pieces—the four principals—Shostakovich's long opening oboe melody, is most beautiful, and all most beautifully danced by Miss Seymour.

It is dangerous to insist too much upon the undercurrents of feeling which move beneath the surface of the dances, for *Symphony* is a fine dance work tout court. If it is "about" emotion, it is also about movement big in outline and large in phrasing, and each section explores special relationships quite as fascinating as psychological states. The first movement, chiefly for the men, calls for a lot of muscular bravura; the second, for a quartet of girls led by Lesley Collier, is delicately nuanced and from the succeeding duet we are taken into a finale that pulls together the various strands of the action with remarkable skill.

The performances on Tuesday were, in the main, strong and apt; I suspect, though, that with more experience the ballet will look even better.

## £11,000 left to Vienna Philharmonic

A British woman has left £11,000 to the Vienna Philharmonic Orchestra. The bequest is from Miss Nina Maxwell-Jackson, who went to Vienna after living in Yorkshire. She sets the condition that an annual concert is given including a major Mahler work. In most loving and loveliest thoughts of Bruno Walter always.

## Record Review

# Brahms songs by RONALD CRICHTON

Brahms Lieder, Fischer-Dieskau/Moore/Sawallisch/Barenboim. 7 records in box. HMV SLS 502. Limited edition—see below.

This hefty album of seven records contains all the solo songs by Brahms suitable for a male singer (and one at least, "There is a little flower," a woman's song) with most of the best of the *Sixteen Magnificence* series, available separately in masterly performances by Fischer-Dieskau with Richter at the piano. The first record of the album, with accompanying piano, is a re-issue. The others, issued over a period of time, have not been released here before. Rather the limited edition has been going fast, so a quick visit to the dealer and a quick purchase of the set may be a good idea. So far, there are few arrangements for import. There is a wealth of fine music here, in performances unlikely to be bettered in our time. They are records to keep and go back to and re-accept.

As a Lieder composer Brahms is neglected. A few songs turn up again and again—no need to name them, while most large-scale songs have passed over in favour of Schubert, Schumann, Wolf, Strauss, Mahler. The objections that he frequently set inferior verse (so did Schubert) and that he wrote things sacrificed broadly to the needs of the melodic line are justified up to a point, but are surely not crucial for a non-German public. Brahms was anything but a literary snob. Poetry appealed to him not for beauty or originality of language or profundity of thought, but for something quite the way of, possibly, quite the usual cause to feel disappointment that set his musical responses working. It mattered little to him if the poet was Goethe, Heine or a minor figure such as Georg Friedrich Daumer, whose modest lyrics sparked off some admirable songs. Brahms wrote his songs with typical care and capacity for taking pains and covering his tracks. He wrote them virtually all through his composing career. His first published songs were

written when he was 20, or even earlier. His last, the *Four Serious Songs* dated from 1896, the year before his death, aged 64. Since they are finished works of art and not studies for larger works, one should not press the comparison too far. Yet in their concentration, their thoughtfulness, their intimate scale, they stand to the symphonies and concertos in rather the same way as drawings or etchings to the canvases or murals of great painters. Another familiar criticism of Brahms's songs is that his style showed little development. Certainly there is nothing comparable to the striking difference between the early songs of *Four and L'Horizon chimérique*, written at the end of a composing career 15 years longer than the span granted to Schubert. But Brahms lived through a less eventful phase of musical history, and as Eric Sams points out in his *BBC Music Guide Brahms Songs*, the chronology is misleading because this composer had a habit of putting an unfinished work away in a drawer for some years until the seed had germinated further. Mr. Sams's monograph is an invaluable companion for these records. He writes cogently and concisely.

## Albert Hall/Radio 3

# Bournemouth Symphony

As the orchestra from Bournemouth is the best of any outside London, headed by a Finnish conductor of unusual musical strengths, there was more than usual cause to feel disappointment at the unadventurous programme of what might be called the Proms to play. This was somewhat mitigated in the second half by a performance of the Shostakovich Fifth Symphony, in which a combination of Rautavaara's steady tempi and Bournemouth's playing firm enough in focus almost entirely to withstand the heat, managed to re-awaken interest in a much-played work.

with acute insight about the songs, about Brahms's music and the minds of lieder composers in general.

Fischer-Dieskau is his imposing, versatile, commanding self. It would be foolish to pretend there are not moments during this Marathon when he tires, hurries out like thunderbolts (sometimes a hint of pre-echo catches an initial sibilant without the note that heralds the moment when the listener, alone with his record-playing equipment, quailing before the torrents of vocal tone pouring from his speakers, begins to understand what Queen Victoria felt about Gladstone. But these are carplings beside the gratitude and admiration one owes to this great artist for his dedication, understanding, and consuming love of music. Brahms seldom calls for a wide vocal range in terms of intervals, but he expects an almost instrumental capacity to breathe long phrases. Fischer-Dieskau takes these hurdles manfully. His accompanists are, in succession, Gerald Moore, Wolf-gang Sawallisch, and Daniel Barenboim. Moore, alas, is only heard on the first two sides. His limpid thirds in "Nachtigallen schwingen" are as fine an

example of pianism as anything to be heard in the rest of the series. Sawallisch, who has the lion's share including the *Serious Songs*, is very much what one would expect from his conducting: intelligent, precise, not over-indulgent to the lyrical side of the music. Barenboim is the immediate charmer, the only one who can somehow persuade the singer never to open the well-toned larynx (only once does he succumb, at the end of a brilliant account of the sardonic "Unüberwindlich"), warm piano tone lapping sinuously round changed into Disraeli. The result is magical, subtle, yet natural, that one inevitably wonders if Barenboim has the best songs for himself to play (the end of the strictly chronological). But in "Der Tod, das ist die kühnste Nacht" one also wonders if the drenching beauty is not starting to pall: one overdoes the virtues in the comparative dryness of Sawallisch. In any case, it is a mistake to play too many of these songs at a sitting. Brahms, superficially accessible, is in reality a demanding composer. The booklet contains poems, translations, and portraits of Brahms's poets or versifiers.

Scenes historiques, light and colourful in spirit, deserving of playing more charming; and the Grieg Piano Concerto. Michael Roll, the soloist, is a player who in the right music can suggest reserves of inward feeling and pent-up sensitivity; but liquid cantabile was, on Tuesday at least, not to be counted among his strengths, in a work where the make-or-break quality. The final full-orchestra blaring of the F major flute melody is one of the most awful experiences the concert hall has to offer; and the present performance did not persuade one otherwise. MAX LOPPERT

# A REMINDER: Mail goes metric from 29 September

In line with government policy and after consulting the Post Office Users' National Council, the Post Office announced a year ago the decision to go metric in September 1975.

Conversion of postal weight scales means that some weight level limits ('weight steps') will go up and others will go down.

The present first 'weight step' is 2 oz. More than 90% of inland letters are within this limit. To help customers, the Post Office will raise this weight step on metrication to 60g (2.1 oz) and retain this for at least a year.

Here are some examples showing the first few steps:

## INLAND WEIGHT STEPS

LETTERS	PARCELS
60 g (2.1 oz)	1 kg (2.2 lb)
100 g (3.5 oz)	2 kg (4.4 lb)
150 g (5.3 oz)	3 kg (6.6 lb)
200 g (7.1 oz)	4 kg (8.8 lb)

## OVERSEAS WEIGHT STEPS

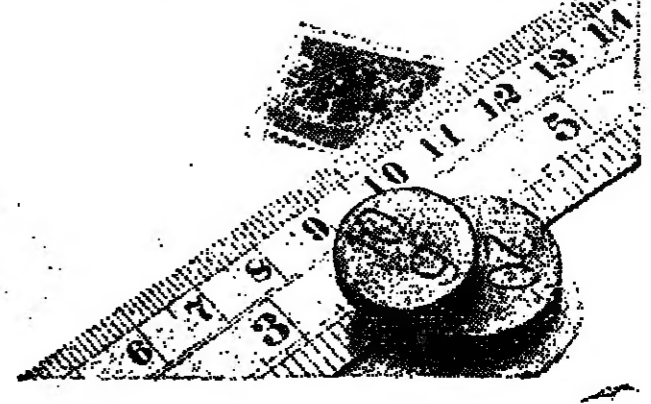
AIR LETTERS TO EUROPE & ALL SURFACE LETTERS	AIR LETTERS OUTSIDE EUROPE	SURFACE PARCELS
20 g (0.7 oz)	15 g (0.5 oz)	1 kg (2.2 lb)
50 g (1.8 oz)	30 g (1.1 oz)	3 kg (6.6 lb)
100 g (3.5 oz)	40 g (1.4 oz)	5 kg (11.0 lb)
250 g (8.8 oz)	50 g (1.8 oz)	10 kg (22.0 lb)

Air Parcels in steps of 500g (1.1 lb) up to 10 kg (22.0 lb).

Prices: Proposals have been put to the Price Commission and the Post Office Users' National Council for an increase in postal rates from 29 September.

Details will be announced as soon as possible.

## The Post Office



# Poland to profit from Comecon price changes

BY PAUL LENDVAY

VIENNA, July 30.

POLAND, AS the second major exporter of raw materials from the Soviet Union, will profit from the new price system and higher prices charged for raw materials and fuels within Comecon, according to Ideologia 1 Pollska.

This is the first time an East European country has described price changes as having a "favourable" impact on exports.

It follows not only the upward adjustment of raw material prices but also the ensuing rise in contract prices for material-intensive machinery and equipment such as ships, rolling stock and complete plants. These play an important role in Polish exports, the magazine claims.

The new pricing system will counteract the widening gap between intra-Comecon prices and those ruling on the world market and thus promote turnover within the Soviet bloc.

A further widening of the gap would have created a situation

encouraging East European exporters to launch sales drives in capitalist markets which in turn would have hampered the implementation of decisions aimed at intensifying trade within Comecon.

According to the Polish Inter-press agency, Poland will produce this year 240,000 tons of zinc and 70,000 tons of lead. With an annual production of 900m. Kwh of electric power, Poland last year was a net exporter of power to the tune of 3bn. Kwh to Comecon partners, as well as to Austria and Switzerland.

Since the discovery of copper deposits in 1956, that industry has recorded annual growth rates of 20 to 25 per cent. Output jumped from 21,000 tons in 1960 to 196,000 tons last year, and is scheduled to reach 240,000 tons in 1975.

Poland leads the European league in known hard coal deposits, with 155bn. tons, and

takes fourth place after the U.S., Russia and China among the world's largest coal producers. The annual output of useful minerals per head of the population in Poland is claimed to be twice as high as the world average.

Meanwhile, figures just released for the first half of 1975 show exports were 28 per cent. above a year earlier and imports 24 per cent. higher. But as recently admitted by Mr. Jaroszewicz, the Premier, at a conference of foreign trade officials and experts, exports to the West have fallen short of the original targets.

While shipments rose 19.5 per cent. to the West, the import bill in convertible currency jumped by almost 26 per cent. Despite price increases for raw materials and half-finished products exported by Poland, the visible trade deficit in exchanges with the Western industrialised countries last year doubled.

## European outpost for Hitachi

By Peter Durney

TOKYO, July 30.

Japan's biggest electrical company, Hitachi, is establishing an outpost in Europe's financial markets. The wholly-owned subsidiary, Hitachi International (Netherlands), will be incorporated in Amsterdam on August 1 and will open for business early in October.

Hitachi is careful not to say that the Dutch company will be a financing outpost, since the Bank of Japan has made it clear it will not allow industrial and commercial companies to spawn financial intermediaries.

Hitachi International, which will have a subscribed capital of ¥1,750,000, is therefore described as "a kind of trading company and information centre."

Nomenclature aside, the objective is to cheapen the cost of financing Hitachi's exports, at present worth more than \$50m. a month. This will be achieved in a number of ways, according to Mr. Yasutaka Hiroi, a general manager of Hitachi, although initially the Dutch company will confine itself to specific projects for which official clearance has been obtained in Tokyo.

Mr. Hiroi said the subsidiary, in appropriate cases, would interpose itself between a European customer and the Japanese supplier to give the customer commercial credit while Hitachi gets its cash. In other words, the cost of carrying the contract would be transferred to Europe, either because the interest cost would be lower or the exchange risk smaller there.

It is also envisaged that the subsidiary will act as a repository for foreign bank guarantees for example, to finance large power station contracts in South America.

Hitachi International resembles in many respects Toshiba International Capital, set up in Amsterdam by the Toshiba Group in March last year. However, Hitachi claims there is an important difference in that it aims at a general role in relation to group export whereas TICC has been mainly a vehicle for financing offshore manufacturing activities.

Hitachi is to supply thermal power plant equipment worth \$30m. to Senoko power station, Singapore. It is believed to be the biggest single order received by a Japanese electrical company. Hitachi will make three 250,000 kw units, including steam turbine generators and boilers. The first is for operation by January 1979 and the third by January 1980.

**Export Contracts**  
COMPAIR CONSTRUCTION & MINING is to build compressed air equipment worth £268,000 for the Algerian State Cement Company.  
NAJIR DUNBAR will supply simulated fur fabrics worth £100,000 to the Middle East.

# No U.S. approach to Cuba likely despite OAS move

BY ALAN RIDING

SAN JOSE, Costa Rica, July 30.

THE UNITED STATES is expected to make no early diplomatic approach to Cuba despite the Organisation of American States decision here last night to allow member states to "normalise" relations with Havana.

Although the U.S. was one of 16 countries voting in favour of a so-called "Freedom of Action" resolution, American officials indicated that no major initiative could be expected by Washington until after the 1976 Presidential elections.

They also noted that Congressional action would be required to lift the economic sanctions imposed against Cuba following the October 1962 missile crisis.

Adoption of the OAS resolution, which was seen as an indirect way of ending the continental boycott of Cuba, has nevertheless come as a relief to the United States and has removed a chronic obstacle to U.S.-Latin American understanding.

Quietly prodded by Washington, even staunch enemies of the Castro regime as Bolivia, Haiti and Guatemala supported the resolution, while Brazil and Nicaragua only abstained. But Chile, Uruguay and Paraguay voted against the measure.

In fact, the only countries expected to move quickly to

"normalise" their relations with Cuba are Costa Rica and Ecuador. Among countries voting today, Argentina, Colombia, Panama, Peru, Trinidad and Tobago and Venezuela have all recognised Havana in the past three years, while Mexico never broke off its formal links with Cuba.

The "Freedom of Action" resolution was seen as an eminently political response to the Cuban problem, since the 1962 suspension of Cuba from the OAS and the 1964 economic sanctions still remain on the books.

Countries wishing to do so can therefore maintain an embargo against Cuba without committing "economic aggression." Similarly, Cuba still cannot take its seat in the OAS Council—although Havana has stated repeatedly that it has no interest in returning to the OAS until it is totally reorganised.

From most points of view, the resolution marked the formal end of Cuba's isolation in the Americas. Certainly, the OAS is not planning any further action to reintegrate Cuba in the international system.

## Castro reveals 'plots by CIA'

BY ADRIAN DICKS

WASHINGTON, July 30.

THE CUBAN Prime Minister, Dr. Fidel Castro, has made an indirect but nonetheless remarkable intervention into the future of the Central Intelligence Agency by giving details of 24 separate plots against his country, including several attempts to assassinate him, in which the CIA was allegedly involved.

Dr. Castro's charges, which ironically have come to light the day after the OAS vote to end its embargo of Cuba, were detailed in a document he gave

to Senator George McGovern on a recent visit to Havana. The Cuban leader gave brief particulars of all the alleged plots, which took place between 1960 and 1971.

Senator McGovern, saying that he had no way of judging the accuracy of the charges, passed the document on to Senator Frank Church's committee on intelligence activities, urging it to follow up the "important leads" supplied by the Cuban Prime Minister.

## Disclosure of payoffs 'imperils Lockheed deals'

WASHINGTON, July 30.

LOCKHEED AIRCRAFT Corporation has told U.S. Government investigators that it could lose lucrative contracts if it is forced to disclose details of overseas sales arrangements, some of which involve payoffs to foreign officials.

The aerospace and weapons manufacturer has admitted to the U.S. Securities and Exchange Commission (SEC) and to a Senate Foreign Relations subcommittee that some of its foreign sales commissions were used for payoffs to win approval for contracts. But it is understood that the company claims that specific disclosure could entail "huge risks" to profitable overseas contracts.

The argument has won the support of several U.S. Government officials, who note that Lockheed is trying to return to a sound financial footing after suffering mammoth losses several years ago. The losses put the company on the edge of bankruptcy, and prompted Congress to create an emergency programme under which the Treasury is guaranteeing \$195m. in loans to the Burbank, California, concern.

AP-DJ

## New bid expected to lift Turkish arms embargo

BY ADRIAN DICKS

WASHINGTON, July 30.

THE LEADERS of the Democratic majority in Congress, apparently somewhat abashed by the consequences of the House vote to maintain the Turkish arms embargo, are reported to be preparing a new effort to get it lifted before the recess begins on Friday, in order to minimise the damage to NATO.

The parliamentary manoeuvre was expected to be launched in the Senate, where a narrow majority voted to end the arms ban two months ago.

Building up the pressure on Congressmen to reverse the effects of last week's vote, Dr. James Schlesinger, the Secretary of Defence, said today that there was a risk that the U.S. might lose permanently the bases which the Turkish forces of the State Mr. Marvin Mandel.

Dr. Schlesinger praised the Ankara Government for showing "some degree of restraint" during the past few days—a remark which may indicate that the Ankara Government has been continuing since Mr. Agnew's downfall, and there have been several indictments. However, the Defence Secretary officially told by the federal press that he is a target of the investigation, but has revealed that his tax records and those of his son have been subpoenaed.

Reuters adds from Ankara: Turkey today continued reprimanding.

WASHINGTON, July 30. THE WEB of bribery and corruption in Maryland that led to the resignation of Mr. Spiro Agnew from the Vice Presidency in October, 1973, now appears likely to damage the reputation of his successor as Governor of the State, Mr. Marvin Mandel.

Investigations into the connections between Maryland politicians and a number of building and property companies have been continuing since Mr. Agnew's downfall, and there have been several indictments. However, the Defence Secretary officially told by the federal press that he is a target of the investigation, but has revealed that his tax records and those of his son have been subpoenaed.

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## RURAL REFORM IN HONDURAS

# Peasants and priests unite

BY ALAN RIDING, RECENTLY IN TEGUCIGALPA

THE UPSURGE of violence in the Honduran countryside, where more than 20 people have died in the past month, has abruptly transformed the nation's land reform process from a simple Government initiative into a direct confrontation between landowners and peasants. Making the situation doubly explosive is the fact that in a country where the Government is weak and little organised, both landowners and peasants are now mobilised into strong and determined movements. A deepening conflict is therefore unavoidable, with the armed forces still undecided which side to support.

Much of the confusion so far, however, is attributable to the divisions within the armed forces which have been governing this Central American republic since December, 1972. Early in 1973, the then chief of state, General Oswaldo Lopez Arellano, first proposed an agrarian reform with the twin aims of calming unrest in the countryside and winning the loyalty of the peasants. In January this year, coinciding with the appointment of a group of progressive young military posts, Gen. Lopez promulgated the agrarian reform law under which large and/or uncultivated land-holdings would be expropriated and converted into peasant co-operatives.

Then in April, when Gen. Lopez was barred after he was accused of accepting a bribe from the United Brands banana company, and replaced by Col. Juan Alberto Melgar Castro, the new regime seized the agrarian reform as its "revolutionary" banner.

Throughout this period, however, the Army has been using the land reform as a purely political instrument, paying little attention to actual developments in the countryside. Even advocates of the reform within the 25-member Supreme Council of the Armed Forces, which holds real power in the country, have tended to see the measure as a way of increasing the Government's control rather than the peasants' control over their destiny. As a result, while the reform law is criticised by conservatives for following a neo-Marxist model, it has also failed to spark the enthusiasm of the peasants.

It is of course difficult to understand how a strong peasant

movement could have emerged in the poorest country of the American mainland where millions of peasants have been reduced to a state of semi-starvation. But the answer probably lies in the role of the Catholic Church. Over the past 15 years, many governments and U.S. military governments have concentrated their attention on the tiny Communist-run trade unions, progressive foreign priests and voluntary workers have quietly gone about "creating consciousness" among the peasantry, who comprise over 70 years.

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particular demand that land be distributed before May 10 to give peasants time to plant for the winter harvest. The National Agrarian Institute (INA), headed by Lieut-Col. Mario Maldonado, an ambitious Peruvian-trained officer, responded that a legal procedure had to be followed before more land could be handed out.

As a result, on May 18, the UNC began a series of actions by invading 128 private and state properties in 11 of the country's 18 departments. The peasants were furious and threatened direct action against

the regime. The peasants, who comprise over 70 years.

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# N.Y. faces \$500m. economies package

By Jay Palmer

NEW YORK, July 30.

MAYOR ABRAHAM Beame will later to-day officially spell out a \$500m. package of New York City economy cuts. The measures, devised after lengthy talks with the Municipal Assistance Corporation yesterday and approved by the city council, are seen as the minimum first step necessary to restore shattered investor confidence in the city's borrowings.

The core of the Mayor's plan involves an immediate wage freeze on all salaries of city employees. In addition he will announce the planned elimination of over 9,000 city jobs this year by attrition, a 10 per cent. salary cut for managerial and executive city employees, a transit fare increase and a cut in the budget of the City university.

City Council leaders, who have generally been pushing for even tougher economies, have already indicated that an immediate approval of this package is a foregone conclusion, especially following the news yesterday from state lawyers that a wage freeze is constitutionally permissible.

Originally the City and MAC had hoped to avoid a head-on confrontation with the unions over the planned cuts. However, the Mayor's deadline for voluntary concessions by labour leaders expired at midnight last night without the unions giving way. Leaders of the two million workers have threatened that the formal announcement of the measures to-day will be the signal for immediate strikes.

In addition to these cuts, officials of MAC, the state agency set up to raise funds for the city, have warned that even tougher measures will still be necessary in the near future. Plans for a 36-month budget and spending freeze are understood to be under consideration in addition to plans for an independent review of the city's management and a drive to eliminate accounting gimmicks in the city budget.

Although the city's municipal unions have generally refused to co-operate with plans for economic cuts, they have won one major concession. It is understood that, aside from employee reductions from attrition, no further employee layoffs will be made. This decision follows the revelation yesterday that an announced layoffs inspired by the two-month-old economy drive had fallen short of target, with city agencies simply overstating their real cuts.

## IN BRIEF

### U.K. chemical exports

U.K. exports of chemicals (fertilisers, plastics, paints, dyestuffs, medicines) rose 10 per cent. to a peak £1,095m. in the first half year, imports fell 7.5 per cent. to £889m., giving a favourable record trade surplus for chemicals of £401m. The Chemical Industries Association says the surplus probably represents the peak for some time to come because exports of chemicals is affected by the recession. The industry, which employs only 5 per cent. of the total U.K. workforce, contributed over 22 per cent. of the export surplus of £1,795m. for all U.K. manufactured goods.

### Japan's TV output

Japan's colour TV set output fell 2.4 per cent. in the first half year to 2,950,000 units. Overall deliveries were 3,12m. units, a 1 per cent. rise, including exports of 1m., a 1.5 per cent. decline. June 30 inventories numbered 649,000 units, a 47.7 per cent. drop on a year earlier.

### Canada-Israel tax

Canada and Israel have signed a double tax and fiscal evasion convention for taxes on income and capital. For dividends, branch profits, interest and royalties paid to non-residents a general withholding tax of 15 per cent. will apply. A similar agreement has been negotiated between the U.S. and Israel but awaits signature and ratification.

### Denmark's deficit

Denmark's first half trade deficit was cut to Kr.3,365m. (£287m.) compared with Kr.8,615m. (£750m.) last year. Exports rose 6.8 per cent. to Kr.24,395m. (£2,140m.) while imports fell 11.9 per cent. to Kr.27,755m. (£2,410m.). June exports included ships worth Kr.1,375m. (£109m.), or Kr.440m. (£38m.) above June, 1974.

### Brazilian airports

Brazilian airport facilities will be improved with the help of a \$50m. loan by four banks, led by Chase Manhattan, to Infraero, a Brazilian State enterprise which operates 26 major airports. The funds will be used for civil projects, including extensions to runways, taxiways and aprons, plus work on terminals.

### German machinery

New West German domestic orders for machinery rose markedly in the latter part of June before the 7.5 per cent. investment premium expired, by 121 per cent. above June, 1974 (at stable prices). Including exports, June orders were 39 per cent. higher in real terms over the first half-year total orders fell 7 per cent. in real terms.

## Ghana's stake in foreign owned businesses

BY OUR OWN CORRESPONDENT

ACCRA, July 30.

THE INVESTMENT policy implementation committee, set up by the Ghana Government to supervise the takeover by Ghanaians of a percentage of the shares of specified foreign-owned businesses, has asked all businesses affected by the 1975 decree to provide the committee with details about their operations. Details have to reach the committee not later than August 31.

Failure to comply with the request or the provision of false information is punishable by a fine not exceeding Cedis 5,000 or imprisonment not exceeding five years, or both.

The shares to be sold to Ghanaians, ranging from 30 per cent. to 55 per cent., must be disposed of before January 1 next.

**Finance for Hyundai Motor**  
By Our Own Correspondent  
SEOUL, July 30. THE SOUTH KOREAN government has approved the last \$3m. part of a \$20m. Barclays Bank loan to finance the construction of a car factory for Hyundai Motor. The loan will meet about 70 per cent. of the estimated cost of the factory in the industrial town of Ulsan.

The loan was part of nine loan projects worth \$95m. which was authorised, including \$15m. raised from a syndicate organised by Asian Pacific Capital Corporation, Singapore, to help the Hyundai project.

Hyundai officials said the loan authorisation would enable it to complete imports of all necessary capital goods by this autumn and to start turning out first Poney cars around the end of this year.

**India's trade with Indonesia**  
By K. K. Sharma  
NEW DELHI, July 30. INDIA AND Indonesia are to sign a new long-term trade treaty and make arrangements for joint industrial ventures. This emerged from talks between Mr. Adam Malik, the visiting Indonesian Foreign Minister, and Mr. Y. B. Chavan, India's Foreign Minister.

The draft of the agreement has been discussed, and it is possible there will be other agreements on civil aviation and industrial and technological collaboration. A technical team from Indonesia will visit India later this year to identify new fields of industrial collaboration and to finalise arrangements for Indian consultancy services in setting up new industrial units in Indonesia.

## Exhibitions

● At the Offshore Europe Exhibition (Aberdeen, September 16-19) 30 Danish companies will be represented, showing for the first time in a European offshore industry exhibition. Denmark is a latecomer to the offshore market, but the prospect of oil exploration off West Greenland combined with falling orders for other types of business is causing more companies to take a serious interest in the oil sector. Rempeks, marine paint specialists, provide 30 per cent. of the market for materials for surface coating of the world's semi-submersible platforms. Manberg and Thorson, civil engineers, has obtained several important contracts, and Aarhus Flydedokk has built supply ships. Another sector of Danish industry "going into oil" is electronics, where several

companies are specialising in marine equipment.

● At an international exhibition at Guayaquil, Ecuador, in September, 30 Israeli companies will display products as part of Israel's determined efforts to develop markets world-wide and lessen dependence on Europe and the U.S. Zim Israel Navigation Company is examining plans for a direct shipping line to the West coast of South America. Present Israeli exports to Ecuador, only \$3m. in 1974, are mainly metal products, electrical and electronic equipment and textiles, in exchange for fish, meat and hides from Ecuador.

Similarly, Israel is participating for the first time this year in an exhibition in Australia with 18 Israeli concerns showing their week irrigation installations, electrical and electronic lines, building equipment and automobile spares.

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هكزان الكحل

## Five leaders leave OAU summit after Lagos coup

KAMPALA, July 30. FIVE AFRICAN heads of state left the Organisation of African Unity (OAU) summit today, now in its third day. But officials from the OAU Secretariat said the departure was about normal and should not be connected with yesterday's military coup in Nigeria in which General Yakubu Gowon was deposed. The meeting is scheduled to end on Friday. General Gowon is still here following the coup but has not emerged from his hotel suite since noon yesterday.

Despite the statement by the OAU Secretariat some conference sources said that the coup in Nigeria had generated a certain nervousness among the 19 heads of state. The officials did not name the heads of state who had left. President Amadou Ahidjo of the Cameroun is known to have left for home this morning, and informed sources said at the time that four other leaders were due to leave today.

## Life insurance equality for African blacks

CAPE TOWN, July 30. THE PRACTICE of basing life policy premium loads on racial and environmental factors in South Africa and Rhodesia is to be discontinued by the Legal and General Assurance Society from August 1.

Making the announcement, the society's assistant general manager, Mr. Colin Harris, said it was common practice in the insurance industry throughout southern Africa to assess premiums against the colour of a man's skin.

"During the past five or ten years the African people have advanced to a point where a significant percentage are now living in as good, and sometimes better, circumstances as whites."

"They therefore deserve the same terms and conditions as are available to whites and there is no longer any justification for racial loadings based on environmental considerations."

Legal and General is the first insurer to discontinue the practice, the statement says.

## Thousand go through Canal

ISMAILIA, July 30. NEARLY 1,000 ships have passed through the Suez Canal since it reopened to navigation seven weeks ago after eight years' closure. So far 969 vessels have travelled through the waterway without incident, according to Suez Canal Authority officials here.

The thousandth ship will go through the canal in the next few days and to mark the occasion, the Suez Canal Authority will present a symbolic gift and flowers to its captain.

Officials added that dredging operations would shortly give the canal a 35-foot draught capacity, while on Thursday convoys travelling in opposite directions would be allowed to pass through the waterway simultaneously. Since the reopening, north and southbound convoys have had to pass through alternately.

## Delhi Parliament extended again

NEW DELHI, July 30.

THE INDIAN Government today announced a second extension of the emergency session of the two Houses of Parliament but gave no detailed reasons for the move.

Mr. Mehta, Minister of State for Home Affairs, told the Upper House that it would now sit until August 5 to complete some "urgent government business." He did not elaborate. The Lower Chamber would be in session until August 4.

The two Houses, summoned mainly to approve the national emergency, proclaimed last month and to ratify tough laws under it, originally were to have ended a week-long session on Monday, but last week the session was extended by three days.

Our New Delhi correspondent adds: Both Houses of India's Parliament have passed amendments to the Maintenance of Internal Security Act (MISA) under which people detained cannot seek their release through the courts. The new powers given to the Government, which proclaimed a state of emergency on June 26, apply to foreigners as well.

According to the Home Minister, Brahamananda Reddy, the Government will now be able to take quick and effective measures against threats to internal security. In a speech to the Upper House, the Home Minister said that censorship was necessary to check "reactionaries" and other forces.

## Peking denounces 'Soviet infiltration'

BY OUR ASIA CORRESPONDENT

CHINA HAS launched a bitter attack on the Soviet Union, this time accusing Moscow of seeking to "swallow South East Asia at one go." Reports that the land and naval bases in Vietnam have roused the old Chinese fears of Soviet encirclement.

In a piece entitled "Reject the wolf at the front door, guard against the tiger at the back door," commentator Jen Ku-ping says that Moscow is trying hard to fill the vacuum left in South East Asia by the departing U.S. forces. In Chinese eyes Washington is the wolf, Moscow the tiger.

He claims that the Soviet

## Underground 'cities'

BY A SPECIAL CORRESPONDENT

MEDIUM-SIZED provincial centres in strategic areas of China have their own amazing "underground cities." These are not almost as elaborate as the main urban nerve centres. The underground cities duplicate all facilities above ground and are designed to keep millions alive in the event of either nuclear or conventional war.

The existence of the cities now being gradually revealed to foreigners makes it clear China would have a better chance than any other nation of surviving a global holocaust.

With other journalists visiting this north China city I was shown the remarkable complex of workshops and living quarters built underneath the Tatum cake factory. We were told

Union is trying to establish control of the sea lanes from the Black Sea through the Indian and Pacific Oceans to the far east regions of the Soviet Union.

The commentator in the People's Daily says: "Soviet revisionist social imperialism, holding the signboard of socialism and wearing the cloak of a natural ally, has tried by every means to cajole South East Asian countries politically, and to infiltrate them economically."

China has some advice for the South East Asian nations—they must combine to fight off the Soviet threat, then they will be bound to win.

every factory and apartment block in Tatum had similar underground facilities and they all linked up together. In the event of war the 470,000 inhabitants of Tatum could live underground for long periods and continue working. Alternatively the city could be evacuated by mass exodus through the network of tunnels to exits in the countryside.

Foreigners have now seen these underground worlds in Peking, Nanking, Shanghai and Tatum. The reason for showing foreign correspondents Tatum cake factory's underground shelter was clearly to demonstrate just how far-reaching China's subterranean defences are.

## 'Soviet arms offer to Jordan'

BEIRUT, July 30.

THE SOVIET Union has offered to meet all of Jordan's modern arms requirements, the pro-Libyan newspaper Al-Kifab Al-Arabi reported today.

Quoting a "diplomatic report" from Moscow, the newspaper said Soviet assurances of its preparedness to provide the arms were coupled with payment facilities which were regarded as the first of their kind in Soviet-Arab arms deals.

But King Hussein had not defined his attitude to the offer and apparently still wanted American arms, the paper said.

The hearing of a petition seeking access by friends and relatives and an end to solitary confinement for arrested opposition leader Moradji Desai was adjourned today until Friday by a judge of the Delhi High Court.

The adjournment was given in his chambers by Justice Prakash Agarwal, who accompanied her to the Sohna water spa complex where Mr. Desai, 79-year-old former deputy prime minister, has been detained, said they said him and he was in good health. The Government had allowed an earlier visit on July 16 by a lawyer, he added.

## Israel seeks \$100m. loan from IMF

By L. Daniel

JERUSALEM, July 30. ISRAEL HAS asked the IMF for a loan of \$100m, so as to prevent a fall in her foreign currency reserves below the red line.

The value of the reserves declined by \$70m during the past month, partly due to the fall in the dollar rate and partly because of the repayment of short-term debts.

The request was raised during the current visit here of a delegation headed by Mr. Geoffrey Taylor, deputy director of the Fund's European division.

The delegation is reported to have expressed the view that it would be better for Israel to link her linkage to the dollar and to link the Israel pound to a basket of currencies.

At present, the rate is a fixed 16.12 to the dollar, while the rates for all other currencies fluctuate according to world market levels.

## NIGERIA'S NEW RULER

## 'The Monty of the Mid-West'

BY BRIDGET BLOOM, AFRICA CORRESPONDENT

BRIGADIER MURTALA MOHAMMED, whom General Gowon, Nigeria's former Head of State, yesterday recognised as his successor, is a man moulded by two traditions. Like General Gowon, he was trained at Sandhurst. Unlike General Gowon he comes from an aristocratic family belonging to one of Nigeria's three major tribes. Both traditions are important in his makeup. Both could be vital when he begins to get to grips with the complex problems of ruling Nigeria.

Murtala Mohammed, a Moslem, was born in June 1927 into one of the most aristocratic families in Nigeria's far north, where power, influence and wealth—despite the changes wrought in the past few years—still tend to depend on family connection and lineage. Among his relatives were close supporters of the first Premier of the Northern Region, the Saraduna of Sokoto. His uncle, Alhaji Inua Wada, was Minister of Defence in the pre-1966 Federal Government and is still counted one of the most powerful establishment figures in the north.

Brig. Mohammed joined the army as an officer cadet in the mid 1950s, and was commissioned from Sandhurst in 1961. His rise to acting major, by the

time of the first coup in January 1966, was orthodox if rapid. In 1962 he served with the Nigerian force in the Congo, and returned to become aide de camp to the Administrator of Western Nigeria. At the end of 1962, he joined the Nigerian Army Signal Corps, which he was later to command.

Until this point, it was his British army training that was the paramount influence: there was little, at least to acquaintances, to suggest that he was anything but the orthodox officer destined for a traditional army life. But as with so many of his colleagues, the coup of January 1966 (which he did not do) quickly catapulted him into playing an important and often controversial role in Nigerian political and military life.

The full history of the counter-coup of July 1966, from which General Gowon finally emerged as a compromise leader, will probably never be told. What is certain however is that, if Murtala Mohammed was not a coup leader from the beginning it was a mutiny rather than a planned coup he quickly emerged as the key spokesman for the northern officers and men whose disaffection with the Gowon Government had been the main factor in the July 1966 coup.

sparked the crisis that rapidly deteriorated into civil war. The initial demand of the mutineers on July 19, 1966 was for the secession of the north from the federation. What is equally important now is that the eventual compromise which put General Gowon at the head of a tenuously united Nigeria masked a struggle for power between Gowon and Mohammed. It is from this incident that Murtala Mohammed gained a reputation in much of Nigeria as a protagonist of northern and Muslim interests, even though he subsequently became one of the important commanders of the federal force which fought to keep Nigeria one country.

Brigadier Mohammed in fact was one of the earliest advocates of a pre-emptive invasion of the East, suggesting such a step a full seven months before the outbreak of war. His role during the war however was equally controversial, for in early August 1967, following the Biafran invasion of the Mid-West, he was put in charge of a hastily recruited division whose task was to prevent what appeared at the time to be an imminent march on Lagos itself by Biafran troops.

So successfully did Brig. Mohammed acquit himself at first—holding the line at the Mid-

West border with the West, not much more than 100 miles from Lagos; and then pushing on to recapture the Mid-West capital of Benin—that he was popularly dubbed "The Monty of the Mid-West." But he failed to follow through his conquests and after a costly bombardment of Onitsha, on the Biafran side of the River Niger, and two attempts to take the town frontally, Brig. Mohammed retired; no one knows how many men were lost, but the action was considered one of the most important federal defeats in the war.

Mohammed's fortunes declined following the defeat. He was retired from command of the Second Division, and returned to Signals. Popular wisdom has several times since linked his name with rumours of plottings against General Gowon's leadership, which, whether founded or not, certainly suggested that he did not usually see eye to eye with his Commander in Chief.

Brig. Mohammed, despite his similar training, is a man of very different stamp to General Gowon. "Fiercely" "Strong-willed" and "impetuous" are among the adjectives which were used to describe him during the war, when he proved a tough and often ruthless soldier.

## Australia to raise aviation fuel price

BY KEN RANDALL

CANBERRA, July 30.

THE AUSTRALIAN Government is going ahead with plans to push the price of aviation jet fuel up to world parity levels, but which should return the general petrol—and possibly for other fuels like domestic heating oil—in practice, however, this would have meant either huge windfall profits to the producers or the need to claim the differential as a government excise. All the airlines are supplied on a tender-and-contract basis.

The Government has now prices for jet fuel. Whatever the effect on domestic fuels, it seems certain to mean an increase of about 3.5 per cent. for outward flying.

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## Soldiers held in Lebanon

BEIRUT, July 30

Twelve Lebanese soldiers have been arrested on charges of being involved in the banned Arab Communist Organisation, judicial sources here said today. They said 13 other soldiers had been detained on suspicion of giving away secret information.

The sources added that some of the soldiers had been questioned about recent explosions at two military barracks in Beirut and in the southern port of Sidon.



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# Trade finance leaders in Asia

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oil and tin. In 1974, the Group handled nearly 8% of Singapore's total external trade, over 10% of the country's trade with United States, and financed many of Singapore's key industrial, building and construction projects. The Group is also strongly active in gold dealing, the Asian Dollar Market and offshore financing. The Group's trade finance expertise is backed by 40 years experience in Asia.



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EUROPEAN NEWS

# Spanish army officers arrested

BY ROGER MATTHEWS  
MADRID, July 30.

THE ARREST of an army major and six captains yesterday for unspecified but undoubtedly political reasons has cast further doubts on the much-vaunted unity of the Spanish armed forces.

The seven men, all of whom came under the command of Lieutenant-General Angel Campaño Lopez, the Captain-General of Spain's First Military Region based on Madrid, are understood to be closely interested in the political evolution of the country but are without any party affiliation.

According to a brief statement from the Captain-General's office, a special military judge has been appointed to investigate fully the activities of the men.

Military sources said here today that the arrests had brought into the open the growing clash between officers of the Civil War era and those commissioned a decade or two later. The growing clamour within the country for the early resignation of General Franco, the 82-year-old Head of State, is clearly reflected among some sections of the military who feel more closely aligned with his chosen successor, Prince Juan Carlos.

Since the Burgos trial in 1970, when six members of the Basque separatist organisation ETA were saved from the death penalty only by an international outcry, certain officers have become increasingly restless about their functions within the State. Apart from professional frustrations they do not like the military being used to stage courts martial for what are civilian political offences.

Groups of officers began to hold informal seminars and discussions about broadly economic and political matters while being careful to avoid the accusation that they were in any political party. This has been known to the relevant high commands in all of Spain's military regions.

However, until now the vast majority of these activities have been tolerated.

Military sources said late last night that at least another seven officers had been detained and that there were growing fears of further arrests.

# Fiat chief warns of takeover by State

BY ANTHONY ROBINSON  
MILAN, July 30.

FIAT, one of the few European car groups to remain a private company, faces the inevitable prospect of a State take-over of its car interests if the IRI controlled Alfa Romeo company continues to sell its models below cost and if the Italian trade unions refuse to accept the need for Fiat to become competitive with foreign manufacturers, the managing director, Sig. Umberto Agnelli, warned today in an interview with the weekly magazine Panorama.

"Abroad we already have to compete with two vast state concerns, Renault and British Leyland, who can rely on enormous public funds. If we have to compete internally with Alfa Romeo models sold at below cost price as well how can we hope to save Fiat as a private company?" he asked.

Apart from unfair competition Sig. Agnelli also complained about the "demagogic attitudes" struck by certain middle-rank trade union officials at the shop-stewards level who thought in the same terms as various Left-wing extra-Parliamentary groups. There have been 3,100 strikes at Fiat in the last six months of 1975, he said, adding that productivity in Fiat's Italian plants was between 30 and 25 per cent below that of its major West German competitors. "But when we try to convince shop stewards of the need to keep our costs in line with those of our competitors they refuse to listen," he said.

Returning to competition from Alfa Romeo, Sig. Agnelli said he was particularly concerned about the Alfa Sud model, which is the most direct competitor to Fiat models. But he promised that if the IRI decided that Alfa must return to the logic of competition and become a profitable operation not a subsidised one then Fiat would be prepared to cooperate with it. Under these circumstances Fiat would have the possibility of survival on its own resources, he added.

Sig. Agnelli also said in the interview that Fiat was pressing ahead with its overall plans to create a holding company structure. This is a process which would make it technically possible for the sale to IRI of Fiat's loss-making car interests while leaving the rest of its empire intact.

# Mr. Wilson opens summit with plea for joint effort

BY WILLIAM DUFFELL  
HELSINKI, July 30.

BRITISH Prime Minister Harold Wilson today described the summit on European security and co-operation, to be signed hereby 35 nations, as "a moral commitment to be ignored at our mutual peril and the start of a new chapter in the history of Europe."

In the lead-off speech to the Security and Co-operation in Europe (CSCE) Mr. Wilson said it so far transcended any previous European meeting that it made for any participating State the legendary 1814 Congress of Vienna and the 1973 Congress of Berlin "seem like well-dressed tea parties."

Using carefully balanced phrases the British leader invited the East European and other EEC countries in working out solutions to the energy and commodity problems dividing the industrialised nations from the Third World developing countries, and indicated British support for a world disarmament conference, provided that it was attended by all nuclear powers, including China.

At the same time Mr. Wilson issued a muted warning against Soviet intervention in other East European States and reaffirmed "Four-Power rights in Berlin."

Within the framework established by the CSCE documents no excuse could henceforth be found for attempting to prevent any co-operation worldwide, he said. The Prime Minister struck a more sceptical note about hopes that the new political framework created by the CSCE would make it easier to lower the level of military confrontation, but reiterated Britain's determination to make a success of the Vienna negotiations for mutual balanced force reductions (MBFR).

# Repression warning by Copcon general

BY JANE BERGER  
LISBON, July 30.

AS THE REVOLUTIONARY Council met here in full today to legalise Portugal's new leadership, its missing member, General Otelo Saraiva de Carvalho, chief of Copcon security forces, returned from an eight-day official visit to Cuba and warned the military are ready "to start along a road of severe repression" of counter-revolutionary violence.

General Otelo, obviously impressed by his Cuban visit, appealed for unity behind the revolution and spoke of Cuba's "mobilisation without hatred, without violence and without party divisions." He also attacked the Socialist party as "the strongest enemy of the Left" and said he intended to have "a serious talk" with its leader, Dr. Mario Soares.


However, questioned about violent attacks against the Communist party in his absence—around a score of Communist offices have now been attacked by angry mobs—he replied firmly "I now think in the short term we should put counter-revolutionaries into the bull-ring." This was a reference to an earlier declaration in June, when he had said "some-times I think it would have been better in April 1974 for us to have put the counter-revolutionaries' backs against the wall, or ordered them to the bullring in hundreds or thousands, eliminating them at birth." There were indications that Communist party leaders were disturbed at the General's remarks.

This afternoon, the Supreme Revolutionary Council meeting in Belem presidential palace, gathered all 30 officers including leading dissidents who were widely expected to make a final protest at the new troika, but he outvoted when it came to putting forward legislation to constitutionalise the three Generals' power.

Whether they might thereafter resign will depend largely on other officers. Some are reportedly anxious to preserve the Armed Forces Movement's unity at all costs and prevent dissidents, led by the prestigious Foreign Minister Major Melo Antunes, from resigning.

An encouraging sign of a brighter economic future for Portugal came today with the announcement that the country's June balance of payments was in surplus for the first time since the revolution, at about \$5.5m, following drastic import surcharges imposed in May and a small increase in emigrants' remittances and tourism.

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At the Annual General Meeting held on July 30th the Chairman Sir W. Nicholas Cayzer Bt. said:

"Today I have to deal with our own affairs in the context of the grave issues which face this Country. I think that as a nation we may have lost our way.

Recently, in a book entitled "The Later Cecilia", I was struck by a legendary story which concerned Lord William Cecil, a one-time Bishop of Exeter and a man whose absent-mindedness was proverbial. On one occasion he failed to find his rail ticket when asked for it by an inspector. "Don't trouble, my Lord," the official assured him "we all know who you are". The Bishop replied "That is all very well but, without a ticket, how do I know where I am supposed to be going?"

As I survey the political scene I ask myself "how many tickets have been lost?"

"I believe in Free Enterprise"

I believe in free enterprise because it suffers if it fails to reach its destination; it stands for freedom and in my view can be interpreted as the national bread-winner. Nor do I think it is inconsistent with the awareness of the needs of a constantly changing society. I cannot think that many people in this Country would vote for a communist state, which is the realistic alternative. Let us not deceive ourselves, if we are not on our guard and if we do not take positive action to protect ourselves, it could come upon us like a thief in the night. Freedom means many things to many people, amongst them, freedom from want and freedom of choice. Equally, it involves self-discipline for without such discipline others will lack freedom.

In private enterprise we seek to create. We have our successes; we have our failures. If I instance this by referring to our North Sea activities, we have the success of the helicopter group, the early promise of the support ship for pipeline, the loss incurred as a result of the failure of the concept of a ship designed to undertake repair and maintenance work on drilling rigs and other structures, and so far, the lack of any significant discovery of oil or gas by the consortium in which we have a small interest. All these activities have created work and, on balance, have made and we hope will make a useful contribution to the profits of the group. Of course, we would like to avoid the loss-makers and will make every effort to do so.

In my statement, which accompanied the accounts, I referred to our interest in leisure industries, British Island Airways and our hospital, as units which made losses in 1974. Though it is too early to draw any definite conclusion regarding maintainable occupancy levels in the hospital, you will be pleased to know that, at the present time, it is full. In the other areas there is a considerable improvement, though present estimates still indicate that, in other than B.I.A., losses will be incurred in the current year.

Shipping

Without wishing to be alarmist, it is only proper that I should draw your attention to the present climate in the shipping industry, to the clouds on the horizon and to the irresponsible action of the few who seem to wish to inflict wounds from which the end they may be the worst sufferers.

There is no improvement in the tanker and bulk carrier markets. We have no tankers, but have already laid up two of our bulkers and others are likely to follow, as this is cheaper than continuing to operate them.

The cargo liner trades are holding up well, but with surplus tonnage around the world we cannot discount the possibility of intrusion from outsiders prepared to quote sub-economic rates. Furthermore, Russian ships have a different criteria of profitable operation, for it seems that a positive cash flow of foreign exchange is more important than the actual cost of operating the ships and providing for their replacement, besides it is one of their strategic weapons aimed at weakening the economic position of the West. In addition, although it affects us only through our interest in O.C.L., there is the competition of the Trans-Siberian Railway in the movement of goods between Europe and the Far East.

Labour Relations

At this time of national difficulty, I think one might have expected maximum support from all connected with the industry, yet we have the tragic converse where, at Southampton, a work to rule by dockers has resulted in a diversion of mail ships to Antwerp, with a consequent loss of earnings to the dockers themselves and many others associated with the operation. If that were not enough, there is the loss of traffic and the

## EEC and Greece decide to strengthen links

BY REGINALD DALE  
BRUSSELS, July 30.

THE EEC and Greece are to press ahead with developing their Association Agreement three years before Greece can become a full EEC member, even assuming that all goes well in the entry negotiations. In the meantime, the aim is to strengthen links already existing under the Association Agreement that came into force in November 1962—particularly in the agricultural and financial sectors.

## Twenty rioters sentenced

BY OUR OWN CORRESPONDENT  
ATHENS, July 30.

TWENTY people arrested during last Wednesday's violent rioting in Athens were today sentenced to prison terms ranging from 11 months to three years. They were charged with causing bodily harm, disturbing peace and order, insulting the authorities, resisting arrest and damaging property.

The Court of Misdemeanours acquitted another 24 and released another two to a juvenile court.

The Government has blamed the rioting on extremist elements whose aim was to create a climate of anarchy in view of the trial of the former junta leaders. The stiff sentences are obviously meant to deter further incidents of the kind.

Police officers who gave evidence in court today said those in the dock were not the instigators of the rioting in which 111 people were injured. Police are still investigating another 96 people under arrest to determine whether they should be brought to trial. Those convicted today can appeal against their sentences.

Junta trial Next page

## Socialists to meet Soares

BY OUR OWN CORRESPONDENT  
HELSINKI, July 30.

WEST EUROPEAN Socialist leaders, including British Prime Minister Harold Wilson, will gather in Stockholm on Saturday immediately after the Helsinki Conference on European Security and Co-operation (CSCE) for a one-day meeting with Portuguese Socialist Party chief Mario Soares.

The meetings, it is hoped, will reconcile differences among the West European parties on the attitude to take towards Portugal and result in a co-ordinated policy.

The meeting is especially significant in that Portugal is becoming something of a test of the CSCE spirit and of Soviet intentions. It will also bring together the heads of government of seven West European countries, including three from the EEC.

Invitations were sent out last week after a telephone conversation between Austrian Chancellor Bruno Kreisky and Mr. Soares. Mr. Soares is due to arrive in Stockholm on Friday evening.

## Innocenti talks on labour cuts

BY OUR OWN CORRESPONDENT  
MILAN, July 30.

LEYLAND INNOCENTI, the wholly owned Italian subsidiary of British Leyland, today officially confirmed negotiations with the Government and trade unions aimed at reducing the labour force at its Milan plant from 4,500 to 3,000 by the start of next year.

Mr. Percy Plant, who recently replaced Sig. Giovanni Bella as managing director, said that Innocenti would also revert to one-shift working after the summer holidays in place of the former two shifts. This is to keep production down to an annual rate of 40,000 units in view of unsold stocks of 14,000 and depressed market conditions.

Leyland Innocenti made a £5.1m. loss (about £35,000) in the nine months ending September 30, 1974. But losses during the intervening period have been much higher. Mr. Plant made clear that Leyland was prepared to give a two-year guarantee to continue production at Innocenti only if the unions agreed to lay-off and production was trimmed.

## £2.5bn. reflation plan unveiled

ROME, July 30

THE ITALIAN Government today unveiled, as expected, a £2.5bn. (£2.5bn.) emergency reflation package concentrated in the fields of housing, hospitals, ports, agriculture, public transport, airports, ship-building, and the development of the South.

Deputy Prime Minister Ugo La Malfa told the Economic Commission of the Chamber of Deputies that the Government realised that the plan was not the whole answer to Italy's economic problems and that long and medium-term plans were also needed. However, he said, "this task can be tackled only if, with the collaboration of everyone, we avoid in the immediate term the threat of collapse which is hanging over our economy."

Reuter

## BANK OF ITALY SUCCESSION

BY OUR OWN CORRESPONDENT  
MILAN, July 30.

THE GOVERNING body of the Bank of Italy today formally acknowledged the resignation of Sig. Guido Carli as Governor of the central bank with effect from August 19 and nominated Sig. Paolo Baffi, the current director-general as his successor.

Deputy director - general Rinaldo Ossola has been appointed to take Sig. Baffi's post as director-general and Sig. Mario Ercolani, currently the director in charge of the bank's foreign exchange operations, will replace Sig. Ossola as deputy director-general.



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**BP chemicals**



## HOME NEWS

# Gas Corporation loses £90m. a year on fixed-price deal with ICI

BY PETER FOSTER

THE British Gas Corporation lost £90m. last year on a fixed-price contract with Imperial Chemical Industries, Mr. Anthony Wedgwood Benn, the Energy Secretary, disclosed yesterday.

Mr. Benn, when pressed for details by the Commons Select Committee on the Nationalised Industries, said that under the 1969 agreement, signed in 1969, ICI was currently paying £20m. annually for supplies of gas for which the present price was £110m. Overall, British Gas was losing some £180m. annually as a result of fixed-price contracts.

Although strongly urged to do so, the Energy Secretary refused to comment on the agreement, pointing out that the management decisions of the Corporation were not open to the Minister. He did, however, hint that there might be a review into the length and nature of long-term contracts in the light of the ICI case, contending that there might be instances where the Government would have to

step in on escalation clauses. In the first public airing of his views since he became Energy Secretary, Mr. Benn said he had doubts about the ability of the energy industries to return to a "fully self-sustaining" economic framework. He stressed that the phasing out of subsidies for gas and electricity was "only a very crude return to economic pricing."

## Change?

Although he emphasised that he did not wish to weaken the impact of the statement made by Mr. Denis Healey last November when the Chancellor expressed a commitment to "realistic" pricing in the energy industries, Mr. Benn's remarks may be interpreted in some quarters as foreshadowing modifications of the market pricing policy promised by the Government.

The chiefs of the gas and electricity industries will be studying Mr. Benn's remarks in

some detail. On Tuesday, Sir Peter Menzies, chairman of the Electricity Council, emphasised that the Council's 1975-76 budget was largely due to Government interference in pricing. He stressed that any return to policies of price restraint would represent a "road to financial disaster."

Nevertheless, Mr. Benn pointed out yesterday that factors beyond commercial pricing would have to be taken into account, including the likely impact of such pricing on the anti-inflation programme.

## Drastic

He also noted that the introduction of inflation accounting could, in pricing terms, have as great an effect as "a major oil price increase."

Another key issue concerned the merits of indigenous versus imported fuels. In a key passage Mr. Benn said the Government was inclined to agree with the view that "the burning of oil may

turn out to be something that we may not wish to do."

He expected to see coal continue to play "a very major role" and said he would like to see coal's export potential developed, which could mean re-opening the depot at the Humberhead port of Immingham.

Energy chiefs will probably be relieved that Mr. Benn seemed to come down against tinkering with tariffs on special grounds, which the Electricity Council criticised earlier this week. Mr. Benn said this sort of "Internal Robin Hood exercise" merely meant that some consumers would be paying for others. Help should come through social agencies.

He ended by expressing concern about the difficulties facing poorer electricity consumers this coming winter, adding that he would be writing to the Electricity Council on the matter and requesting the social services to keep a special watch on the question of disconnections.

# Deficit of £44m. on higher sales last year

BY ADRIAN HAMILTON

THE GAS INDUSTRY lost more than £40m. for the second successive year in 1974-75, despite an increase of 12.8 per cent. in gas sales, according to the British Gas Corporation's annual report published yesterday.

Describing the final loss of £44.2m. as "disappointing," in view of the strong demand from all sectors, Sir Arthur Hetherington, the corporation's chairman, ascribed it mainly to rapidly escalating costs of equipment and materials and to continuous Government intervention in pricing policy.

A further price increase—now granted from October 1—would be necessary, he said, to restore the industry to profitability in the current financial year.

Aside from this frustrating financial situation, intensified by the high interest rates, the industry had to pay last year on its borrowing, the Corporation nonetheless reported another year of steady growth in sales and natural gas supplies.

Total gas sales over the year increased from 11.5bn. therms in 1973-74 to 12.8bn. therms in the last financial year. Turnover rose from £707m. to over £1bn. for the first time, at £1.2bn. in 1974-75.

In spite of the generally depressed state of the energy market last year, the gas industry encountered increased demand in

almost all sectors, with domestic gas sales rising from 5bn. therms to 5.7bn. therms in 1974-75, sales to industry increasing from 5.2bn. therms to 5.9bn. therms in the "commercial market" rising from 1.2bn. to 1.3bn. The report suggests that there were signs of lower economic activity and higher prices which curbed the growth in demand in the commercial and industrial sectors.

Giving for the first time estimates of the place of gas in the overall energy market, the report states that natural gas now supplies some 16 per cent. of total U.K. primary energy, and a far larger proportion around a quarter—in terms of heat supplied to final users, excluding fuel usage for non-best purposes, transport and the conversion of primary into secondary fuels.

In the domestic sector gas, according to the report, has recovered its position in the cooking market and has maintained its predominance in the central heating field with an overall market share in the domestic sector last year of 38 per cent.

The main problems, unlike other fuels, appear to be less those of demand than of supply. Although new contracts to increase total supplies by some 50 per cent. have now been

agreed for the Frigg and Brent Fields, first supplies from Frigg have now been delayed by at least a year and are not now expected until the second half of 1977. The first supplies from Brent are not scheduled to flow until the first half of 1979.

Meanwhile, the report comments, the industry will get some increase in supply from the small Rough Field in the South and has embarked on a major programme to convert former

town gas plants to make substitute natural gas.

Plants with an output of 84m. cu. ft. a day have already been converted to this end and the conversion of plants to produce a further 350m. cu. ft. a day have been approved, the report reveals.

On finances, the report states that capital expenditure last year nearly doubled to £238.7m. of which was raised from internal funds.

	1974/75 £ million	1973/74 £ million
Financial		
Turnover	1,204.4	970.4
Trading profit	103.0	104.5
Interest payable	160.2	163.9
Profit (Loss) before compensation	(42.3)	(41.5)
Capital expenditure	216.1	129.0
Average net assets	2,146.7	2,079.0
Return on average net assets		
—Interest	7.5%	7.4%
—profit/(loss)	(2.0%)	(2.0%)
	5.5%	5.4%
General		
Gas sold and used (millions of therms)	13,019	11,570
Gas price realised (pence per therm)	7.85	7.02
Number of customers at end of year	13,682,000	13,559,000
Number of customers converted at end of year	11,880,000	10,265,000
Miles of main line at end of year	130,100	128,800
Salaries and wages paid during year (£ million)	257.0	211.1
Average numbers employed during year	102,500	103,400

## POST OFFICE ANNUAL REPORT

# Economies as losses increase

THE Post Office was hit badly by inflation in the year to March and costs rose by £376m., or 26 per cent. As a result the P.O. showed an increased loss for the year of £306.7m. compared with one of £128.1m. in the previous 12 months.

The annual report says that as the year ended, costs were rising faster still, while business slackened as a consequence of the prevailing economic climate and as a reaction to higher prices. "The search for economies was intensified throughout the organisation and an examination of possible restrictions of the postal service was set in train."

In short, the Post Office was preparing for the fundamental appraisals and decisions that will have to be taken unless inflation abates quickly and significantly.

Of the P.O. operations, only the Giro and Data Processing produced profits last year. The telecommunications loss increased from £81.4m. to £194.6m. on income up from £1.16bn. to £1.39bn.

The loss from posts was up from £37.8m. to £109.2m. while income increased from £831.4m. to £773.2m.

The Giro turned a £8.5m. loss into a £100.0m. profit after its income rose from £19.1m. to £24.6m. Remittance Services' loss was £3.4m. against £3.2m. and income was up from £15.2m. to £16.5m. The Data

Processing profit was slightly down at £400.0m. compared with £500.0m. but income rose from £21.5m. to £27.6m.

The Government has agreed to pay £307.02m. in compensation for price restraint. The P.O. has agreed to cut its 1976-77 budget by £376m. due to higher costs already mentioned (which includes an additional charge for pensions deficiency of £25m.). It was also necessary to take out of revenue £92m. for additional depreciation and £28m. for higher interest charges.

The joint auditors have qualified the accounts in respect of adjustments to telecommunications assets with a book value of £13.12m. and mention that the P.O. is now in a programme of revised procedures for implementation in April, 1977.

The report attacks the Government over its attitude to the pension fund deficiency. If the P.O. has to make good its part of the deficiency attributable to the period before it became a corporation in 1969 "prices will rise more rapidly than they need."

The sums involved are large—the provision for 1975-76 is expected to be £90m.

The report says the Post Office Board strongly held the view that the Government should agree to meet this part of the deficiency, but discussions during the year have not been conclusive. This is not a question of the Government accepting its responsibilities," the report insists.

Among the year's achievements the report points particularly to productivity savings worth £15.6m. in telecommunications, the equivalent of nearly 5,000 jobs; the number of telephone calls passed 20m.; there were fewer equipment faults and the quality of international dial service improved for the fourth year running; and direct dialling of overseas calls was extended to 54 per cent. of all customers.

International service congestion was reduced by the opening of an international telephone exchange in London ahead of schedule moves were made towards an important new relationship with telecommunications manufacturers designed to bring about co-operation in the research and development of a new telecommunications system for the 1980s; the quality of the postal service began to improve towards the end of the year as recruitment difficulties eased following a catching-up pay award and by making a profit the Giro met the second of two targets agreed with the Government in 1972.

Telecommunications investment during the year amounted to £788m. About £600m. (77 per cent.) was spent on growth and £188m. (24 per cent.) on maintaining and improving the existing system.

The rate of growth was high, though not as rapid as in recent years, and 1.35m. new telephone connections were supplied. This

brought the number of connections in service to 12.7m. and the number of telephones to more than 20m.

Local calls increased by 6.4 per cent. to 13.523m., trunk calls by 8.2 per cent. to 2.313m. and international calls by 19 per cent. to 73m. The waiting list was cut by 8,000 to 102,400.

The percentage of calls for which plant was satisfactory and adequate increased by 1.3 to 85.3 in the STD service and by 0.4 to 98 in the local automatic service. The percentage of calls falling in the U.K. international network fell from 17.7 to 10.3.

The telex network increased by 5,300 connections to 54,500. The number of data transmission connections in service rose by 17.9 per cent. to 34,800.

As for Posts, over the whole year the percentage of first class mail delivered by the week-day following posting was 89 per cent. for second class the percentage delivered within two working days was 84 per cent. With better pay for postmen and a strong recruitment campaign, the staffing position improved, and in March this year the 84 per cent. figure was 85 per cent. respectively.

During the year, 10,800m. letters were posted, 1.2 per cent. fewer than in 1973-74. Parcel traffic continued to improve and 5.3m. parcels were sent. The proportion of letters sent at first class rates was slightly lower at about 43 per cent.

## Retail Consortium calls for details of £6 policy

BY ELINOR GOODMAN

THE RETAIL Consortium yesterday backed the CBI's demands for further clarification on the details of the Government's proposed £6 pay limit. Without such clarification, it said, the proposed amendment to the Price Code, penalising retailers for failing to comply with the limit, might lead to difficulties of interpretation.

In a submission to the Secretary of Prices, the Consortium protested at the lack of guidelines as to whether the £6 limit applied to individual employees or whether an employer could give wage increases of varying amounts provided that the total increase did not exceed an average 26 per cent. employee.

Mr. Richard Weir, director of the Consortium, said: "The Price Commission may in future disallow the whole of any wage increase which exceeds the pay limit in applying the Price Code to retailers' margins. However, until the Government tells the Price Commission, the threat

Department of Employment, manufacturers, unions and us whether the pay limit is 26 per cent. head or an average of £6, I cannot see how any of us can do our sums."

Companies which lose money because of strikes caused by the Government's insistence that they must stick to the £6-week pay rise limit should be compensated by the Government, Mr. Graham Wilkins, chairman of Buecham Group, told shareholders yesterday.

Mr. Wilkins said at the annual general meeting there were many companies to whom a strike "may be more costly than an inability to raise prices" and it was entirely unreasonable that such companies should not be indemnified.

"I cannot feel much admiration for a policy which imposes penalties on those who pursue inflationary pay claims, but will penalise any employer who gives away, however dire the

## MEPC denies £75m. loss overseas

By John Trafford, Property Editor

MEPC, the country's second biggest property company which has been plagued with financial difficulties among its overseas subsidiaries, yesterday roundly rejected Stock Exchange rumours that its Australian arm had lost £75m. The rumour led to an 8p loss to 71p in the company's share price which had been standing as high as 154p two months ago.

Mr. Alan Crowe, the company secretary, pointed out that the group had less than £50m. worth of assets in Australia—as the half-yearly statement in June had made clear—that talk of such heavy losses was well wide of the mark. He reiterated that the group had been involved in two major loss areas in Australia, as had been made clear in the June half-yearly statement.

One of these was the £1.9m. write-off in respect of Middle Harbour, a residential property company operating in New South Wales which had experienced difficulties in selling the houses it had built.

The other loss related to Exchange Centre, a large office block in central Sydney which is due for completion in 18 months time. Uncertainty here concerns the ability of MEPC to let the entire block in view of the recent problems of the Australian stock exchange, on whose tenancies the new block would largely be dependent.

The rest of MEPC's Australian portfolio comprises a fairly typical mixture of commercial and industrial developments on which Mr. Crowe expects no more difficulty than other property companies currently involved in the Australian market.

The sharp share price reaction to the apparently ill-founded rumour is a reminder of the nervousness of the property market. Last week, Land Securities' plans for a £21m. rights issue and yesterday Capital and Counties announced the unexpected sale of its stake in Arundel Great Court, central London, to Legal and General for £5m. Both moves emphasised the severe cash needs of the big property companies at the present time.

## Export whisky to cost 50p a case more

By Kenneth Gooding, Industrial Correspondent

THE EXPORT price of Scotch whisky is to go up by 50p a case (of 12 bottles) next month and this should add something in the region of £25m. to the industry's overseas earnings in the following year.

But it does not apply to the U.S., the biggest customer for Scotch, or the Common Market countries which all forbid manufacture of spirits together to recommend prices.

However, the higher level of prices can be expected to work through to the U.S. and the EEC when individual producers feel the time is ripe.

The last price increase for export Scotch was in January last year and was nominally of £1.50 a case. But this came down to a case when extra distributors' allowances were taken into account.

The price changes come into effect when world whisky markets are depressed because of the economic climate.

In the first half of 1975 exports were down 2 per cent. in volume to 41.5m. gallons but value rose by 10.3 per cent. to £14m., when compared with the same period of 1974.

## Accountancy bodies publish new standard

By Michael Blanden

A FURTHER STEP in the development of new accounting standards for the U.K. has been taken with the publication of a new standard covering "statements of source and application of funds."

The statement, published by the U.K. accountancy bodies as Statement of Standard Accounting Practice SSAP 10, requires the inclusion of a funds statement in audited accounts. It will be produced as a draft in April 1977, since when an exception has been introduced exempting enterprises with turnover or gross income of less than £250,000 a year.

The standard is effective for the accounting period beginning from January 1, 1976, and is regarded as particularly relevant in the circumstances when liquidity problems are affecting industry.

At the same time, the accountants have brought out an amendment to SSAP 6, on extraordinary items and prior year adjustments. This amendment provides that in the special circumstances of investment trusts companies it may not be appropriate to deal with losses or gains relating to investments (whether realised or unrealised) in the profit and loss account. In such cases, these items should be shown separately in the balance sheet or the notes to the accounts.

## Spirella would close factories claims Vantona chairman

BY RHYTS DAVID IN MANCHESTER

A CLAIM that Spirella would want to close down five factories in the Vantona group if its current bid for the company was successful was made yesterday by the Vantona chairman, Mr. Herbert Pilkington.

The claim, which was immediately denied by Mr. David Vantona, Spirella joint managing director, was made amid noisy scenes at a preliminary meeting arranged by a former Vantona chairman, Mr. Basil Glass, before the company's annual general meeting in Manchester's Midland Hotel.

Mr. Glass, who was ousted from the Vantona Board last year and appointed company president, had called his meeting to explain to shareholders his reasons for seeking to return to the Board. As a supporter of the Spirella-Vantona link-up, he said he wanted to try to heal the Board room split which has developed over the bid.

He told 200 shareholders who turned up that he would be working for the appointment of a new independent chairman to replace Mr. Pilkington and two non-executive directors who could strengthen the Board.

Mr. Glass, who received a £139,000 handshake as compensation for the severance of his contract last year, said he would be prepared to return without fee, salary or commission. Later at the annual general meeting after an indecisive show of hands, the motion to return Mr. Glass to the Board was put to

a poll of shareholders present.

The closure allegation at the preliminary meeting came after the two joint general secretaries of the Amalgamated Textile Workers Union, Mr. Joe King and Mr. Fred Hague, had asked whether they could attend the full annual general meeting—a request turned down flatly at first by Mr. Pilkington but later reversed.

Mr. Hague said the union, which also supports the Vantona Spirella link-up, had been given assurances that if any closures were necessary there would be the fullest consultation with employees and the unions.

He told Mr. Pilkington: "Some 6,000 of our members have invested their lives in this company and if you think you are going to prevent their representatives from listening to what you are saying behind closed doors you are inviting industrial trouble and I promise you, by God, you will get it."

The bid, which the AGM was unable to discuss because of Take-Over Panel rules on the conduct of meetings during the period of an offer, is supported by two Vantona directors, Mr. John Blackburn, the managing director, and Mr. Arthur Morris, Mr. Pilkington's supporter.

Mr. Clifford Rothera and used his casting vote as chairman to reject the offer at a Board vote the motion to return Mr. Glass to the Board was put to

appointment of a fifth director to the Board, Mr. Tom Taylor, who is opposed to the bid, on July 22. His appointment came a week after Mr. Morris, who proposing to resign from the Board at yesterday's AGM, decided to stand again. At the meeting both Mr. Taylor and Mr. Morris were re-elected.

The annual general meeting itself lasted some two-and-a-half hours and was punctuated by a series of altercations between Mr. Glass and his supporters on the one hand and Mr. Pilkington, who was flanked by two financial advisers sitting behind, told shareholders that the improvement experienced by the company in the second half of the last financial year had continued into the first three months of this year. He said the crisis affecting other parts of the textile industry was not being felt to the same extent by Vantona.

With the exception of one or two areas of business most parts were working at full stretch with long order books and the company had managed to reduce its debt in the period from January-June this year by £2.5m. to £3.7m.

He was closely questioned by some shareholders about changes made in the system of accounting for deferred taxation which they claimed had the effect of converting a small loss after tax and extraordinary items into a profit.

## BSC to phase out more than 100 direct scrap suppliers

BY ARTHUR SMITH

BRITISH STEEL CORPORATION is to reduce the number of companies offering direct supplies of scrap as part of its major economy measures now under way.

The British Scrap Federation disclosed yesterday that from September BSC will implement the first stage of its plans to reorganise fundamentally the supply of scrap.

From that date, the number of companies offering direct supplies will be reduced gradually by upwards of a 100 from the present 300, Mr. Roy Boast, Federation director, said.

He stressed repeatedly that BSC had not yet decided on the ideal number of direct suppliers. However, it can be expected that, from possibly March next year, BSC may attempt to introduce a second phase and bring the number of suppliers down to around 50.

The benefits to BSC from a reduced number of suppliers derive from lower administrative

costs and better control on the quality throughout.

At the last annual meeting of the Federation, it was learned that certain major suppliers were receiving premium BSC prices for scrap.

## Informal talks

However, Mr. Boast disclosed yesterday that the Federation had been having informal discussions with BSC for "some months."

BSC had been "very fair" about the situation and relations with the Federation had "never been better."

There had already been some natural reduction of direct suppliers over the past year and most of the merchants likely to be concerned supplied comparatively small tonnages to the Corporation.

"None of our members need go out of business as a result of this," Mr. Boast maintained.

It is understood that smaller members of the federation are willing to supply indirectly to

BSC, and there has been a tendency towards mergers, but some middle-sized firms tend to be somewhat resentful of the new policy.

Discussing the outlook for the industry, the president said most scrap merchants felt things might get a little worse before they got better.

The crucial time would be September when one could normally expect some upturn in demand.

"This may be delayed or may be much smaller than usual and I think most people would write off the rest of the year as being pretty poor and hope for a general world improvement next year."

Ferrous scrap exports rose 92 per cent. in the second quarter of this year to 260,000 tonnes, partly due to the increased quota to third countries, but mainly through higher deliveries to EEC countries. Overseas sales were helped by competitive prices, and the depressed value of the pound.

## Birmingham Post cuts Saturdays

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

IN A surprise decision the Birmingham Post has told newsagents that Saturday is the day on which it will not be published from next week as part of its drive to reduce losses. Also on August 4 the cover price is increased by 1p to 7p, and advertising rates by more than half in some instances.

It had been widely thought that Monday, normally a "light" day for advertising, would have been the blank day. Saturday papers have traditionally carried heavy property advertising and the Birmingham Post is one of the chief week-end standbys of home hunters.

On the Saturday immediately prior to the dispute which led on July 9 to more than 200 editorial staff being dismissed and consequently restricted editions, property advertising covered about seven pages.

In talking newsmen of the Saturday decision, the Birmingham Post says that "events have shown it to be absolutely necessary."

Rising costs, price controls and a declining economy have resulted in severe financial losses. The newspaper said it hoped that by reducing its publishing activities to within a Monday to Friday structure it should be able to guarantee the paper a healthy future.

The Friday paper will incorporate arts, leisure and crime features which it is hoped will attract current Saturday only readers.

While neither side is saying that Tuesday's "unconstructive" meeting between management and staff was a failure, the general secretary of the National Union of Journalists, means an end of the dialogue, the dispute remains deadlocked.

The company on Tuesday offered to study jointly with the union pay rates and their comparability with other newspaper publishers, but refused to increase its offer of £1 a week, which the former employees say is totally inadequate after 10 months of negotiations.

Management says that pay increases for journalists between May 1974 and May 1975 were 17.1 per cent. overall, and that 51 had further increases since May totalling 5.2 per cent. The Post, it has been pointed out, is losing more than £500,000 a year in direct outgoings.

The Post and the Birmingham Evening Mail continue to be produced in attenuated form by the company and non-NUJ members. The newspaper's headquarters in Colmore Circus, Birmingham City Centre, has been picketed throughout.

## Varley statement on future of NVT awaited

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

MR. ERIC VARLEY, the industry Secretary, is expected to make an announcement in the House of Commons to-day on the future of Norton Villiers Triumph against a background of mounting speculation that the Government has decided against large-scale funding for the company.

At the same time the DoI will be publishing an almost complete version of the Boston Consulting Group's report on the motor-cycle industry, which was prepared to assist the Minister in making his decision.

Both the NVT Board and the company's unions have stressed the importance of further financial assistance if the industry is to be maintained at its present size.

NVT claims that an injection of up to £50m.-£60m. would be necessary to keep the British industry on its present three-factory footing (two run by NVT, and the Meriden Co-operative), while the unions have asked for at least a "holding" operation involving Government aid of about £5m.

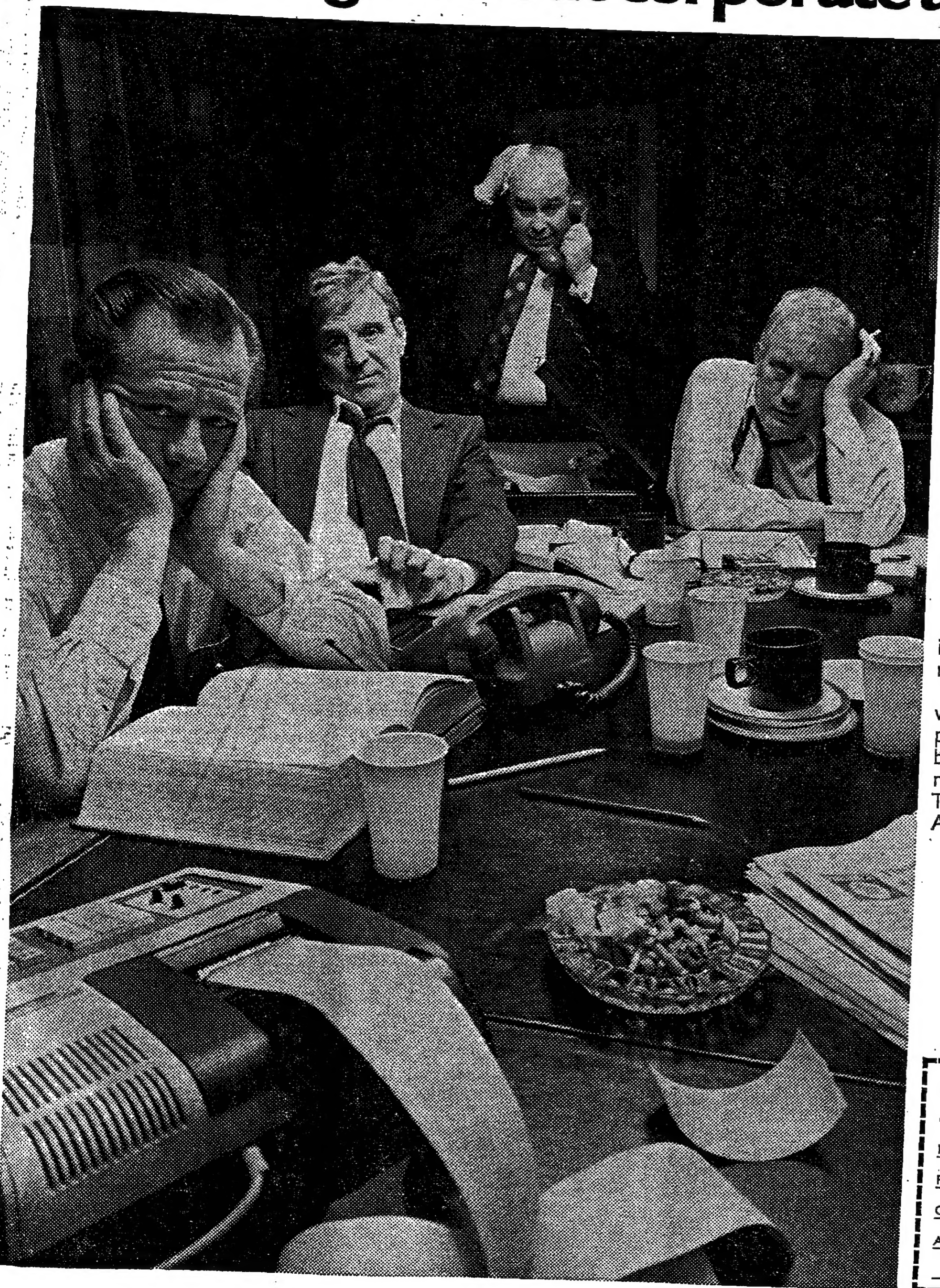
The long-term union policy is for complete nationalisation of the industry.

related to unions and management in short-term financial difficulties. It deals with three main alternatives—high volume, medium volume and low volume production. Their call for an estimated "support" of £51m., £33m., and £15m. respectively. No real recovery is forecast until the 1980s.

The industry has already benefited from almost £10m. worth of Government aid (split between NVT and Meriden), plus £12m. guaranteed in export credits. But it has been hit by the downturn of world markets just when Meriden production—which is sold by NVT—was returning to an even keel.

NVT has already predicted a three-day week for its 3,000 employees when they return

# "After 5 hours of negotiations I saw the light about corporate advertising."



"We were having high level talks with the Union—but it became apparent they didn't have a very high level of confidence in us.

"The longer the meeting wore on, the more I realised that we weren't just talking about pay differentials and pension rights, we were talking about their faith in the company.

"If only they'd understood us better..."

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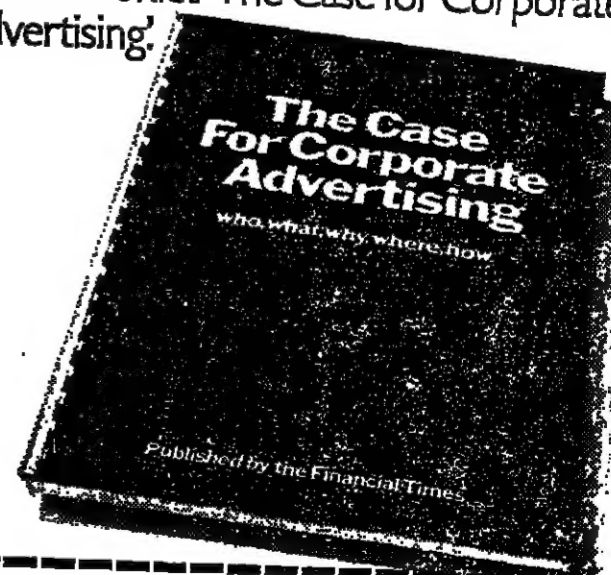
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Company \_\_\_\_\_  
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## COALITE AND CHEMICAL PRODUCTS LIMITED

The fifty-eighth annual general meeting of the company was held at the Dorchester Hotel, Park Lane, London W1, on Wednesday, 30th July, 1975.

Statement by the Chairman,  
Mr. Francis L. Waring.

**The Board**  
Mr. A. Goodsell has decided to retire from the position as Joint Managing Director of the Parent Company and all its operating subsidiaries, also to relinquish his seat on the Boards of these companies with effect from Monday, 30th June, 1975. During nearly 40 years' loyal and dedicated service, including a long period as Secretary, Mr. Goodsell has made a major contribution to the success of our enterprise. He will be greatly missed and has the good wishes of all throughout the Group for a long and happy retirement.

It has been decided to revert to the arrangement of having a sole Managing Director and we are indeed fortunate that Mr. C. E. Needham with his 30 years' service is available for this onerous position. He is admirably qualified in every respect and, equally important, he has the complete confidence of all his colleagues both at Board and other levels.

After careful consideration, I propose to vacate the Chair on 30th September, by which time I will have completed 60 years' Coalite service. My Board colleagues have paid me the compliment of inviting me to continue as an ordinary director and to make my services additionally available when required in a consultative capacity. This I am very happy to do.

We are specially fortunate that the Deputy Chairman, Lord Ward, is available to become Chairman. His outstanding credentials are well known and I am confident that he will have the best wishes of employees and shareholders alike for a successful and happy period of office.

You will be invited at the Annual-General Meeting to approve a resolution to increase the fees of each Director, other than the chairman of the Board, from £1,000 per annum to £2,000 per annum and the fees of the Chairman from £1,500 per annum to £3,000 per annum.

These have remained unchanged since 1964 and it is suggested that the proposal is very reasonable in the light of the changes that have occurred in the meantime.

**Year in Brief**  
The optimism that was expressed in the 'Outlook' section at this time last year has been fully justified by events. The results comprise records in every field.

**Finance**  
Group turnover totalled £49,377,754 compared with £30,627,174. Exports contributed £8,836,000 compared with £3,183,000. Profit before taxation amounted to £3,602,802 compared with £2,844,098. Investment income contributed £310,984 whereas, after allowing for a small investment credit, the bank overdraft cost £294,443 during the preceding year. This reflects the change in the Company's cash resources which totalled £5,520,988 at the year end.

Depreciation totalled £2,631,899 compared with £2,635,287 and, together with the net profit of £4,532,800, provided a cash flow of £7,744,499 compared with £3,985,189 last year. When considering the cash flow, it is desirable to emphasise that £4,683,000 was required for increased Working Capital.

Taxation outstanding at the end of the year, payable on 1st January, 1976, totalled £4,678,745. This figure is after allowing for stock relief of £541,000 which is, in effect, only a loan. Expenditure on capital additions totalled £1,083,000 during the year and there was an amount of £3,708,000 authorised and outstanding on 31st March, 1975. Since then an additional £880,000 has been authorised and other projects are under consideration.

**Dividend**  
Following an interim dividend of 0.290 pence per share a final dividend of 0.292 pence is proposed which, together with the appropriate tax credits, gives a gross dividend of 0.582 pence. This compares with 0.538 pence last year and is the maximum permitted by existing counter-inflation legislation.

It has been announced by the Chancellor of the Exchequer that in future, new shares issued in lieu of cash dividends will be taxed as income. As such an arrangement is no longer attractive to shareholders, the Board has decided not to offer this option in respect of dividend payments.

**Inflation Adjusted Accounts**  
A summary of the consolidated results and financial position adjusted for the effects of inflation has been produced for the first time, together with notes giving the basis of inflation accounts and explanation of the differences between the profit before tax in the historical accounts and the adjusted profit in the inflation accounts. The basis of preparing the inflation adjusted 'current purchasing power' accounts is to convert the historical pounds in the conventional accounts by reference to the relevant retail price indices. The exercise shows that the profit before tax of £9,603,000 in the historical accounts compares with £7,831,000 in the inflation accounts and the historical accounts profit after tax of £4,693,000 is 43% lower at £2,621,000 in the inflation accounts.

The most significant features of the inflation-adjusted accounts are the increase in the effective tax charge and in the charge for depreciation. When the accounts are expressed in pounds of current purchasing power, the effective tax rate is approximately 68% whilst the depreciation charge increases by £2,148,000, an increase of 70% over the charge in the historical accounts.

The above factors emphasise the necessity of generating a high level of profit in order to provide adequate finance for future operations and to maintain the value of shareholders' equity in real terms.

**General Review**  
We started the year with minimum stocks and reduced rates of throughput both resulting from the prolonged dispute in the coal mining industry. With trade and consumer stocks of solid fuel similarly depleted, together with a buoyant chemicals market at home and abroad, we were able to consistently sell all our production and so largely avoid stocking which is an increasingly costly exercise. This permitted us to take full advantage of the high interest return available on cash balances.

As was indicated at the half-year stage, the return on sales of oils and chemicals substantially improved during the year as the rise in prices on the home market being allowed to reach more realistic levels and our being in a position to capitalise on the higher export prices available for chemicals that could be produced in excess of the requirements of home consumers. Consequently, oils and chemicals have made a substantially greater contribution to overall profits this year. This has enabled us to maintain increases in the price of Coalite within competitive bounds, despite the serious escalation in costs.

**Coalite**  
There are few comforts to compare with that provided by a real fire. An open fire provides radiant heat and healthy ventilation in the right proportions without undue loss of thermal efficiency, a fact which is at last receiving due recognition. Coalite continues to be the most popular all-purpose domestic solid smokeless fuel, being ideal for open fires and equally suitable for room-heaters and other closed appliances.

As was indicated at this time last year, gas is still the main competitor to solid fuel. It is disappointing that there is continued reluctance to price gas realistically relative to other domestic fuels.

We would like to take this opportunity of thanking the distributive trade for their friendly co-operation and to commend the activities of the Solid Fuel Advisory Service, of which we are constituent members.

**Oils and Chemicals**  
In the majority of our outlets for oils and chemicals, the strong demand experienced during the preceding financial year continued until the early part of 1975. Even now our position is reasonably favourable although the exceptional prices brought about by the export boom have materially reduced.

It is disappointing that the completion of the expansion of Ortho (Phenyl) Phenol manufacturing capacity coincided with a reduction in demand resultant upon the recession in the textile industry. We are exploring the possibilities of exploiting our special manufacturing know-how in this field.

We continue to be the most substantial producer in Europe, and possibly the world, of intermediates for the manufacture of herbicides. As a result of a detailed investigation of potential fuel demand and raw material availability, we decided to embark on a major scheme of expansion in this field. This will double production capacity of the principal intermediate and substantially increase that of others. Commissioning is expected in the second quarter of 1974.

Following extended trials Coalite oils and pitches are now readily acceptable for road surfacing applications and we are taking full advantage of this important development.

In the light of continuing expansion it is increasingly necessary to protect our raw material supplies. We shall take any action, including the installation of new plant, that might be necessary to achieve this.

**Silbens Oil & Gas (UK) Limited**  
During the year Silbens (UK) drilled two wells with the Western Precinct rig. The first on Block 205/30, West of the Shetland Islands, was abandoned as a 'dry hole' although traces of hydrocarbons were found.

The second well, on Block 2/10, reached a depth of 12,145 feet but, unfortunately, a mechanical fault made it necessary to suspend drilling for some time being and release the rig to another company. However, the presence of hydrocarbons was confirmed and while the quality of the oil could be assessed the well could

## ROYAL COMMISSION ON THE DISTRIBUTION OF INCOME AND WEALTH

DETAILED analysis of the available statistics in the distribution of income and wealth in Great Britain, together with a specific examination of the role of dividends in relation to incomes and to the company sector, have been provided in the first two reports produced by the Royal Commission on the Distribution of Income and Wealth, under Lord Diamond.

The reports cover two of the three areas on which the commission has received specific references. The commission's third reference, on which it has not yet reported, is on income from employment at the higher levels—£10,000 and above. The commission was set up in August

last year to provide the Government with analytical background for its policies.

"The responsibilities and activities of Government in modern society," the commission comments, "are so comprehensive and interdependent that economic and social policies may be miscoordinated, misdirected or vitiated as a direct consequence of inadequacy of information at the different stages of planning, implementation and evaluation." Without knowledge of the true nature of the present distribution of income and wealth, and of its connection with the expansion of real incomes and wealth, and with concepts of social justice, views may be held by different groups which are mistakenly believed to be based on fact, but which will

render more difficult the evolution of a consensus on policy in this field. Yet to arrive at such a consensus is essential if that policy is to be a realistic and effective one.

The first report, on the standing reference, is mainly factual. It includes important analytical work attempting to evaluate the usefulness of present statistics on the distribution of income and wealth, and brings into account elements of wealth other than those measured by the official figures. These include particularly accrued pension rights held by individuals, which make a substantial difference to the distribution of wealth and produce a considerable levelling.

The second report considers specifically income from companies and its distribution, in relation both to the ownership of equity capital and the role of dividends. It gives the first comprehensive information for several years on the ownership of quoted ordinary shares, indicating a continued relative drop in personal direct holdings.

The report finds that for private sector companies, equity has an essential role, providing a basis for them to raise other forms of finance and to weather fluctuations in profits. It also recognises the need for competitive returns on equity shares to be maintained over the longer term if the supply of new funds from outside companies is not to dry up.

## People turning away from direct investment

BY MICHAEL BLANDEN

**OWNERSHIP OF equity capital**  
The final distribution of dividends among individuals, the growth of dividends and other forms of personal income and the role of dividends and equity capital in company finance are the four main areas covered by the Royal Commission's report on Income Distribution.

The Commission points out that it has regarded its task as mainly a fact-finding operation, and although it received a good deal of evidence on related subjects such as dividend control (covered in a separate appendix) it has confined its main report to setting out its findings on the subjects it was asked to cover. It also points out that given the lack of available data on many areas of its brief and the short time available, the report should not be regarded as "an exhaustive examination of the wide-ranging subject of income from companies and its distribution."

**Marked drop**  
Examining the pattern of distribution of equity capital and the income arising from it, the report finds that there has been a marked drop in the holdings of persons over the ten years to the end of 1973 and a corresponding increase in holdings by insurance companies and pension funds.

The proportion of quoted ordinary shares held by individuals dropped from 58.7 per cent. to 42 per cent. during this period. At the same time, holdings of pension funds and insurance companies rose from 18 to 28 per cent. Pointing out that these institutions themselves act largely on behalf of individual investors, the report suggests

that "individuals as a group have been turning away from direct investment in industry and placing their savings with pension funds, life insurance companies, unit trusts, etc. which in turn invest them in the stock market."

The report also contains the results of a survey of share ownership in 30 large companies, where the clearing banks in nominee holdings were held for the Commission.

Relating the distribution of dividend income to individuals of different income levels, the report identifies three main groups of individuals who benefit, directly or indirectly, from dividends.

These are: 21m. taxpayers who hold shares and loan stocks and therefore receive dividends directly; up to 11m. workers who are members of occupational pension schemes and 21m. taxpayers who are currently in receipt of pensions from such schemes; and 14m. taxpayers who save through life assurance of one kind or another. These, it is pointed out, substantially overlap.

Using Inland Revenue figures relating to the 1972-73 distribution of dividends and taxed interest, the report shows that recipients accounted for about 9 per cent. of all taxpayers. The proportion ranged from 8 per cent. in the bottom income range to 35 per cent. at the top.

Age was also important in shaping the distribution of receipts, with the majority of those at the lower end of the income scale also being pensioners or aged persons. Of all dividends and taxed interest, 57.5 per cent. went to pensioners or aged persons.

The Commission did not, however, find it practicable to comply with requests that they should also show the income levels of those who benefited indirectly from dividends, through pension schemes or insurance policies.

Analysing changes in dividends and the related capital, the report shows that over the period 1963-74 there were wide fluctuations in quoted company dividend payments, ranging from an increase of 16 per cent. down to a fall of 4.9 per cent.

Over the period, dividends paid by quoted companies rose at a compound rate of 8.1 per cent. a year, or 5.6 per cent. if allowance is made for changes in the capital base.

Dividend income, however, has risen much less rapidly than other forms of income. The report shows that over the period 1963 to 1973, aggregate dividends have grown in money terms on average at about one-third of the rate of earned incomes and other forms of investment income, and have shown the lowest rate of growth of all identified forms of personal income.

In real terms, aggregate dividends have declined during the period by 30 per cent.; all the other components of income which have been identified have increased in real terms by amounts ranging from 25 per cent. in the case of other investment income to 85 per cent. in the case of occupational pensions and life assurance benefits.

The report goes on to examine the impact of capital gains and losses on income from share ownership, but points out that reliable data are not available. Its estimates suggest, however, that over the period from 1948 to 1974 the averages of the annual returns adjusted for inflation were 5.2 per cent. for investors paying no tax, 2.6 per cent. for those paying at the standard rate and -0.3 per cent. for those paying tax at the top marginal rate. Between 1943

and 1974 the returns are much lower at 0.3 per cent., -2.9 per cent. and -5.8 per cent. respectively.

The Commission then considers the role of equity capital and dividends in company financing, with particular reference to long-term investment. With the help of a special study commissioned from Edinburgh University the report states that equity finance is, mainly because of tax, generally more expensive than other forms of finance. But because it carries no contractual return, it provides necessary flexibility.

The choice for financing long-term investment may be narrowed down to one between equity and long-term debt, and equity has the role of providing a base for borrowing.

The pattern of company financing, it is then pointed out, is heavily dependent on internally raised equity funds. Over the period 1960-72 equity capital provided just over 70 per cent. of total funds raised by the companies examined, and the proportion did not fall below 65 per cent. in any year. Issues of ordinary shares for cash provided on average of just under 12 per cent. of total sources of funds in the earlier period from 1955 to 1961, but in later years their importance declined.

This decline was accelerated in 1965 when companies tended to switch to loan issues after the change to corporation tax, and in 1970 to 1972 equity issues provided only 2 to 4 per cent. of the total. The Commission reports that there is evidence to suggest that the pattern has been increased too far among companies, and that therefore there should be a higher level of equity issues in the immediate future than in the recent past.

THE PATTERN OF OWNERSHIP OF QUOTED ORDINARY SHARES  
1943 AND 1969-73

Category of ownership	1943	1969	1970	1971	1972	1973
Persons, executors and trustees resident in U.K.	58.7	47.0	45.3	44.0	43.0	42.0
Charities and other non-profit making bodies	2.6	3.4	3.8	4.0	4.2	4.4
Insurance companies	10.4	12.4	13.0	13.7	13.8	14.2
— long term funds	10.4	12.4	13.0	13.7	13.8	14.2
— general funds	10.4	12.4	13.0	13.7	13.8	14.2
Pension funds	7.0	9.4	10.4	11.0	11.3	12.2
Investment trust companies	4.7	7.0	6.9	7.0	6.9	6.5
Unit trusts	1.2	2.9	2.9	3.2	3.1	3.4
Banks and other financial institutions	2.3	2.6	3.7	3.5	3.7	3.3
Non-financial companies	4.8	4.6	4.7	4.6	4.7	4.3
Public sector	1.6	2.5	2.4	1.8	1.9	2.5
Overseas	4.4	5.6	5.8	5.6	5.7	5.2
Total	100	100	100	100	100	100
Total market value of issued ordinary shares (£ million)	27,500	38,010	35,670	50,920	60,870	40,520

## Trends towards more equal distribution

PERCENTAGE SHARES

Share of total income	1964-65	1971-72	Change in percentage points	Percentage increase (+) or decrease (-) in average real income per tax-unit
Top 1 per cent.	7.7	4.1	-3.6	-5.5
2-5 per cent.	10.4	8.3	-2.1	-15.5
6-10 per cent.	8.7	8.9	+0.2	+21.5
Top 10 per cent.	27.0	25.3	-1.7	-11.5
11-20 per cent.	13.9	14.5	+0.6	+23.4
21-30 per cent.	11.7	12.2	+0.5	+22.5
31-40 per cent.	10.7	11.1	+0.4	+21.5
41-50 per cent.	9.1	9.3	+0.2	+21.2
51-60 per cent.	7.9	8.1	+0.2	+20.2
61-70 per cent.	6.8	6.7	-0.1	+16.6
71-80 per cent.	5.6	5.6	0.0	+17.7
81-90 per cent.	4.5	4.4	-0.1	+14.8
91-100 per cent.	3.4	3.2	-0.2	+12.7
All groups	100.0	100.0	0.0	+18.0

with income of £2,987 or over) and the bottom half (those with income of under £1,338) each received about a quarter of total income before tax (26.9 per cent. and 24 per cent. respectively).

5—Income tax modified the situation, but the difference after taking this into account is relatively small. After tax, the share of the top 10 per cent. fell from 26.9 per cent. to 23.5 per cent. and the share of the bottom 20 per cent. rose from 3.8 to 6.8 per cent.

**Off the top**  
The report points out that there were marked changes in the period from 1949 to 1959. The share of the top 1 per cent. in income before tax fell from 11.2 per cent. to 8.4 per cent. while the share of the rest of the top 5 per cent. fell from 12.6 per cent. to 11.5 per cent. From 1959 to 1972-73 the changes were less marked. These show:

1—A continuing decline in the share of the top 5 per cent. from 19.9 per cent. of income before tax to 17.2 per cent. This was largely accounted for by a drop in the share of the top 1 per cent. from 8.4 per cent. in 1959 to 6.4 per cent.

2—The share of the bottom 20 per cent. rose from 5.3 per cent. to 6.8 per cent.

3—The impact of progressive income tax on the distribution has not changed substantially. In 1959, the share of the top 10 per cent. was 29.4 per cent. before

tax and 28.2 per cent. after tax, a difference of 1.2 points. In 1972-73 the corresponding proportions were 26.9 per cent. and 23.5 per cent., a difference of 3.3 points.

The Commission then considers the effect on the distribution of income of other taxes, and of transfer payments and benefits in kind provided by the State. This suggests that the progressive effect of direct taxation is largely offset by the regressive effect of indirect taxation. "Thus the tax system has little effect on the overall shape of the distribution even though different households pay different proportions of their incomes in tax, depending for example on their level of income, household circumstances and expenditure patterns."

Taking all taxes and other payments and benefits into account, however, produces a different picture. With these, the overall effect is "a major redistributive one."

Examining the distribution of personal wealth, the report starts from the Inland Revenue statistics but points out: "the dearth of reliable statistical information is a central theme of our discussion of evidence on the distribution of wealth."

The Inland Revenue figures are widely acknowledged to be subject to a number of difficulties, mainly because they are based on estate duty returns. These figures show that in 1973 total personal wealth in Great Britain was estimated at

£163,900m. Of this, 27.6 per cent. was owned by the top 1 per cent. of the adult population (aged 15 and over), 51.3 per cent. by the top 5 per cent. and 87.3 per cent. by the top 10 per cent.

The figures, it is pointed out, assume that over half the adult population owned no wealth at all.

Everybody in the top 1 per cent. of wealth owners possessed net assets worth £44,030 or more.

The report then makes a number of important adjustments to the figures, including an allowance for wealth held by members of the population aged 15 and under, and for wealth covered by the Inland Revenue statistics, numbering some 30m. in 1972. The new figures suggest that the Inland Revenue statistics slightly overstate the degree of concentration of personal wealth.

**Adjustments**  
The adjusted figures show total personal wealth in Great Britain in 1972 as £173,900m. (against a revenue estimate of £163,900m.) with 28.1 per cent. owned by the top 1 per cent. of the adult population, 53.9 per cent. by the top 5 per cent. and 87.4 per cent. by the top 10 per cent.

A major change in the distribution, with a marked reduction in the level of concentration, is produced, when the accrued value of State pension rights—contributing a form of non-marketable wealth—is taken in. The

share of total wealth owned by the top 1 per cent. of the population then falls by a third, from 28.1 to 17.4 per cent., while the share of the bottom 80 per cent. is more than doubled, from 17.6 to 40.7 per cent.

Gaps in the statistics make an examination of trends in the distribution of wealth difficult, but the figures suggest a continuing move towards a more equal distribution. Over the 50 years to 1960 there was a substantial fall in the share held by the richest 1 per cent. of the population, from 69 per cent. to 42 per cent. Since then the trend has continued, with the share of the top 1 per cent. down by about a quarter between 1960 and 1973 and the share of the top 5 per cent. falling by a fifth.

Analysing factors underlying the distribution of wealth, the report emphasises the distinction between wealth accumulated over time and wealth received through inheritance. Accumulated wealth is examined in the context of a "life-cycle" savings model, and it is suggested that when allowance is made for differences in earnings and savings levels between individuals the life-cycle theory has an important part to play in explaining the observed inequality of wealth holding.

**Royal Commission on the Distribution of Income and Wealth. Report No. 1: Initial report on the standing reference (Cmd 6171, HMSO, £3.10). Report No. 2: Income from companies and its distribution (Cmd 6172, HMSO, £2.45).**

### DISTRIBUTION OF PERSONAL WEALTH INCLUDING STATE PENSION RIGHTS

Inland Revenue estimates adjusted to balance sheet wealth totals and including occupational pension rights in 1972

	Excluding State pension rights	Including State pension rights
Top 1 per cent.	25.6	17.4
2-5 per cent.	24.5	17.5
6-10 per cent.	13.8	10.3
11-20 per cent.	16.9	13.6
21-100 per cent.	19.2	40.7
(Cumulative basis)		
Top 1 per cent.	25.6	17.4
Top 5 per cent.	50.1	34.9
Top 10 per cent.	63.9	45.7
Top 20 per cent.	80.8	59.3

### APPOINTMENTS

## Lord Windlesham joins ATV main Board

Lord Windlesham has joined the Board of ASSOCIATED TELEVISION CORPORATION. He is also joint managing director of ATV Network.

Mr. John L. J. Moore has accepted an invitation to join the Board of Directors of the BANK OF IRELAND. Mr. Moore retired recently as U.S. Ambassador to Ireland.

Mr. A. R. Chalk has been appointed a director of SPICERS, a member of the Reed International group.

Mr. A. J. Avery has been appointed an additional director of C. R. HEATH AND CO.

Mr. M. C. Bailey is to be taken chairman of its subsidiary, Abernethy Service Company (North COTE AND CO., stockbrokers, Sea).

Mr. J. R. FHM has been appointed production director and Mr. W. D. N. Woodhouse assistant sales director, on the main Board of BRITISH MOHARR SPINNERS. Mr. R. J. Fawcett joins the Board of Robert Clough (Keighley) and Mr. J. Hibbert appointed to the Board of C. F. Taylor and Co.

Mr. Colin S. Lovell has been appointed manager of agencies for the SCHROEDER LIFE GROUP.

Mr. Paul Heaver has been appointed financial director of DEANS FARM EGGS.

Mr. Kenneth M. Spence will join SIDLAW INDUSTRIES on September 1, to become deputy

Mr. Norman Smith has today been appointed a director of EUROPE, has left the company the ORION INSURANCE COMPANY, U.K. OF CREST HOTELS PANY, because of ill-health.

Mr. Geoffrey Nobes, of H. S. S. and Sons, has been elected as one of the INSTITUTE OF WINE for 1975.

Mr. John H. Brice has been appointed chairman of CARRON HYDRAULICS, a member of the chairman of the SENATE OF Carron Company (Holdings) THE DUNS OF COURT AND THE group. Mr. Brice is chairman of Brown and Sharpe.

Mr. Peter Webster.



## Tories urge direct-grant schools to delay plans

By Our Education Correspondent

THE SEMI-INDEPENDENT direct-grant schools were yesterday warned by the Conservatives to avoid responding hastily to Government regulations designed to "phase-out" the semi-independent sector from September 1976.

Although the regulations—laid before Parliament earlier in the day—are dated to come into force on August 21, the Opposition pointed out that a prayer can be put down against them which, if carried either in the Commons or the Lords, would cause the regulations to fail.

The Government plans gradually to abolish the 173 direct-grant schools which have hitherto received financial aid in return for reserving places for children sent by the State system—by making them choose either to become fully maintained by their particular local education authority, or to go completely independent.

Under the regulations, the schools are expected to declare their intent one way or the other by December 31.

If they choose independence—as about half of the direct-grants have apparently decided to do—they will receive no State aid for any pupil admitted from September 1976.

## Tactics

However, the matter will not be so cut-and-dried in the case of schools which intend to "join the State system." Having declared this intent, the schools will then have to work out with the local education authority the detailed proposals for their merger with the planned fully-maintained system of State "secondary schools."

They will effectively retain their direct-grant status for as long as they can satisfy the Government that there is good reason why these proposals are not complete.

This provision seems to leave room for considerable delay tactics, especially where local authorities are opposed to the Government's "phasing-out" scheme.

The semi-independent sector of 38 grant-aided schools in Scotland—which is also to be "phased-out"—is not affected by the Government's regulations. Separate arrangements for the Scottish sector are expected shortly.

## Call for reform of Scottish divorce law

IT IS simply not good enough to leave the reform of Scottish divorce law to the whims of private members' legislation," said Mr. William Maitland (Lab., Forth). He asked why the Government had not produced legislation of its own, but had managed to give time for the passage of a bare Canning Bill.

"This issue cuts across party lines," he added. He suggested that Mr. Ronald King (Murray, Lib.) should speak in the House and urge for time to be given for the introduction of a Bill.

Answering Mr. Maitland, Mr. David Steel (Rockburgh, Con.) said he was aware of the practice for Scots to reside in England and commute to work in Scotland, so that they could get a divorce under English law.

The Scottish Law Commission, the Law Society of Scotland and the Church of Scotland favoured divorce law reform, said Lord James Douglas-Hamilton (C, Dunbarton).

Mr. Harry Ewing, Scottish Under-Secretary, reminded MPs that Mr. Ross had consistently said the Government was prepared to give drafting assistance to any private Member who sought in such legislation.

## EEC approves restrictions

BRITAIN'S action in invoking the balance of payments safeguard provisions under the Treaty of Rome so as to retain existing exchange control restrictions after the date of accession in 1976, has been authorised by the EEC yesterday.

This was disclosed in a written answer in the Commons yesterday by Mr. Edmund Heil, the Minister-General.

Mr. Heil explained: "Quite apart from the increased pressure on local authorities to spend money on the social services, the continuing rise in the cost of living, and the fact that the Government's policy of maintaining a low level of inflation is being challenged by the EEC."

## Attack on council 'perks'

SCOTTISH local authorities were yesterday attacked by the Opposition for their "perks" in the Commons.

Mr. Malcolm Rifkind had asked Mr. William Ross, Scottish Secretary, on the advice being given to councils to make sure their spending on salaries and other related purposes accorded with the Government's pay policy.

Mr. Ross said the Government was taking every opportunity to ensure that local authorities were not "using what freedom they had to pay themselves."

That and the feelings of ratepayers are the real things that matter in this.

# Benn's uneasy silence as Court Line storm rages

BY PHILIP RAWSTORNE

Even the "undue confidence" of Mr. Anthony Wedgwood Benn appeared shaken by the storm that broke about him in the Commons yesterday after the Ombudsman's report on the collapse of Court Line.

The Tories howled with satisfied fury at him; the Liberals thundered with disapproval; and Labour MPs raged just as violently in his defence.

Mr. Benn sat in uneasy silence as Mr. Peter Shore, Secretary for Trade, announced the Government's rejection of criticisms by both the Ombudsman and the Court Line company inspectors of the "unqualified confidence" Mr. Benn had expressed in its continued operations.

It was an ironic twist of politics for one who had so often been accused of causing a loss of confidence in industry.

But the Tories were already in full voice as Mr. Shore quoted the critical reports—and when he added that the Government nevertheless considered Mr. Benn had been right, they erupted. "Shame," they shouted. "Arrogance."

THE Government's statements had given no formal guarantees, Mr. Shore insisted. "Very difficult questions of judgment are always involved in deciding how much or how little should be said publicly in situations of this nature, particularly when there is a risk that a wrong emphasis may bring a company down."

The Opposition was in no mood, however, for questions of delicate balance.

"Totally disgraceful," cried Mr. Michael Heseltine from the Tory front bench, almost tripping over his epithets in his rush to deliver them.

The Ombudsman's inquiry had fully supported the Tory view that Mr. Benn had misled both the Commons and Court Line's holidaymakers.

It had shown that Mr. Benn had been briefed by his civil servants to be cautious and had ignored them, he declared to gasps

of indignation. The Commons now needed an explanation and an apology. And the holidaymakers who had lost their money needed compensation.

Mr. Shore brushed him aside but was sternly warned by Mr. Richard Wainwright (Lib., Colne Valley) that he could not treat the Ombudsman in the same way even with a "perfunctory gesture of respect."

The Government was not ignoring the criticisms, said Mr. Shore. It just disagreed with them.

But the demands for an apology from Mr. Benn rose more fiercely.

"Surely it is not beyond the Government to say in an honourable way that it has made a mistake," said Mr. Donald Stewart, the Scottish Nationalist leader—discovering at once that it was.

Mr. Benn having postured as the saviour of holidaymakers, was now shown to have misled them. Mr. Eldon Griffiths (C, Bury St Edmunds) accused. And having committed this foul, the Government had "kicked the referee in the teeth."

Mr. William Whitelaw, rousing the Labour benches to uproar, said that Mr. Benn had committed an error of judgment. "An apology costs nothing," he yelled.

Mr. Shore bore out the attack equally. It was no good trying to single out Mr. Benn for censure, he said. He had been speaking for the entire Government.

And with Labour MPs rushing to his support, Mr. Shore pointed out that if Government funds had not been available, Court Line would have collapsed sooner, losing many more jobs as well as holidays.

The Government did not lightly disagree with the Ombudsman's report, Mr. Shore repeated. "But we cannot accept that he is infallible."

And amid a flood of protesting points of order, the issue was left for debate next week.

## Shore promises early debate

IN HIS statement on the findings of the Ombudsman and the Department of Trade Inspectors on complaints after the collapse of the Court Line group, Mr. Peter Shore told the Commons that neither report made any recommendation of the decisions taken by the Government in the handling of the issues.

Both officials paid tribute to the speed and sense of responsibility with which they had reacted to the situation as it developed.

"Both the Parliamentary Commissioner and the Inspectors do however criticise in certain respects the statements made to Parliament on June 24 and July 1 by the then Secretary for Industry, Mr. Anthony Wedgwood Benn, on behalf of the Government."

"They accept that the statements were made in good faith and reflected the confidence which the Government genuinely felt at the time about the prospects of the business based on a careful assessment of the best information available to it, but they consider that the statements went further than was justified in reassuring the public about the continuation of the company's operations for the rest of the summer season last year."

The Government notes and respects the criticisms made in both reports but the Govern-

ment considered them and still believes that the statements made were right in the difficult circumstances at the time.

"The Government had carefully considered in the light of the reports whether any further measures to assist those affected are called for."

## Bonding

"This is not a case in which any legal liability arises. The Government's statements were not phrased or intended to give a formal guarantee and did not do so."

Furthermore, the House will recall that the Government decided last September to legislate to compensate those Court Line and other holidaymakers who had a reasonable expectation that they were protected by adequate bonding arrangements but who nevertheless suffered loss as a result of the failure of the four operators.

"The Air Travel Reserve Fund Act, 1975, has accordingly established a fund to which the Government has offered a £15m. interest-free loan and from which the Court Line and other holidaymakers are being reimbursed and future holidaymakers will be protected."

The Government has, therefore, concluded that no further payment out of public funds would be justified.

# Lord George-Brown blasts inflation White Paper

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

THE GOVERNMENT last night pressed its counter-inflation Bill, supporting the 25 per cent pay limit, and a further stage in the Statute Book when the legislation was passed, unopposed by Opposition amendments, from the Commons to the Lords.

Apart from assurances on the way the Bill—the Remuneration, Charges and Grants Bill—would increase a further stage in the Statute Book when the legislation was passed, unopposed by Opposition amendments, from the Commons to the Lords.

But during the course of the second all-night sitting in the Commons within a week, the Opposition early yesterday pressed the Bill an assurance that any variation of the 25 limit, arising from any change of policy, would have to be put before Parliament.

## Allowed

Of the other Government assurances in the course of the arguments over the policy, including such matters as Wages Council proposals and incremental and "wage for age" payments, the most important concerned occupational pension schemes.

Pressed by both the Tories and the Liberals to exempt improvements to occupational schemes, Mr. Michael Foot, Employment Secretary, did offer a relaxation of the provisions as they had been understood previously.

New and improved schemes designed to meet the minimum requirements for contracting out under the Social Security Pen-

sions Bill will be allowed to go ahead from July 31, 1976, he said.

This set the date a year ahead, and not as inadvertently stated in yesterday's report, July 31 of this year. Mr. Foot contended that the line the Government was taking would not be to the disadvantage of schemes or the development of new ones.

When peers debated the anti-inflation policy as framed in the Bill, Lord Carrington, from the Opposition front bench, stressed the belief of the Tories that the Government had not gone far enough in the measures it proposed.

"I doubt whether we have lived so much on tick since the reign of Charles II," he commented.

Liberal leader Lord Byers offered his party's full support—although Liberals believed the policy should have been made tougher and more specific.

## Bluff

He regretted the reluctance of the Government to publish its statutory reserve powers. This created the belief that Ministers were conducting a monumental bluff, "and the only thing a bluff does with a bluff is to call it," Lord Byers added.

Lord Boyle, chairman of the top people's pay review body, said he had become convinced that statutory powers on wages were going to be needed as a permanent sanction.

He was concerned that the prospect that top salaries would be limited. They were necessary, he maintained, as an incentive to those who should reach high positions in future.

Lord George-Brown, now pursuing the stoniest course of the Government on the Labour benches in the Lords said: "The Government in its White Paper comes up with proposals that are not only half-baked, but are almost totally unbacked."

The White Paper on the proposed "attack on inflation" was certainly not an attack on inflation, Lord George-Brown contended.

Calculating the 25 increase, with a few settlements which would squeeze through the loopholes, adding in the extra subsidies for food and other basic necessities, the result would be a 10 per cent job subsidy, he maintained that the result would be

# No State funds for union ballots

BY JOHN HUNT

A CONSERVATIVE attempt to get the Government to provide financial aid to cover the cost of holding postal ballots in trade union elections failed in the Commons last night.

Mr. Michael Foot, the Employment Secretary, said that informal discussions which he had held indicated that the unions were against the idea at the moment. But he promised that if the unions changed their mind, then the Government was prepared to accept the proposal.

"If the trade union movement or individual trade unions come forward and say 'We want these facilities,' that is a different matter and something we would be perfectly prepared to accept," he said. "But that is not the question at this precise moment."

The Conservatives tried to introduce the scheme for a new clause in the Employment Protection Bill now in its report stage in the Commons. But it was defeated by a majority of 35 to 270.

There was thought to be a danger that some Labour MPs would vote with the Conservatives in favour of the amendment. In the event this did not happen although 100 Labour backbenchers put their name to a recent motion in favour of postal ballots in the unions and some spoke in favour of the idea during last night's debate. The new clause was, however, supported by the Liberals in the division lobby.

For the Conservatives, Mr. Barney Hayhoe pointed out that if Mr. Foot did wish to provide such aid to the unions at a future date the Government could do it on an ad hoc basis. It would have to come to the House to legislate for such a scheme.

## Veterinary proposals to be considered

By Our Lobby Editor

A WARNING that the recommendations of the Committee of Inquiry into the Veterinary Profession, published on Tuesday, would have to be considered "against the background of the general economic situation, including the resources available to the Government," was given yesterday by Mr. Fred Peart, the Minister of Agriculture.

In a written Parliamentary answer, he said that the recommendations would be studied, after consulting the various interested bodies. Many of the proposals would require detailed examination and had implications for the longer rather than the shorter term.

He concluded: "We agree with the committee that greater emphasis should be placed on the prevention of animal disease and its significance for public health. The proposals on preventive veterinary medicine are a most interesting and valuable contribution. We shall also carefully consider the committee's proposals for the greater use of lay assistance."

## Bill to change caravan rating

A BILL to amend current law on rating of caravans was given a formal first reading in the Commons yesterday.

The Caravan Ratings Bill, a private members' measure introduced by Mr. Edmund Marshall (Lab., Gower), would reverse a 1969 court decision that caravans should be rated as separate properties.

Dr. Marshall said, "This Bill is a straightforward application of common sense to a confusing and anomalous situation."

Rather than being valued as a whole, holiday caravans were now dealt with as separate properties. This was causing many caravan owners to sell them or to round the country so that they were not on a permanent site.

## Rees: Pay rise for Convention

MEMBERS of the Northern Ireland Constitutional Convention, at present receiving £2,800, are to get a pay increase of £885 a year.

Announcing this in a Commons written reply, Mr. Merlyn Rees, Northern Ireland Secretary, said the payment would be backdated to July 17.

## Cheap stamps for cards at Christmas plea

Mr. Edward Taylor (C, Glasgow, Cathcart), is to ask Industry Secretary Eric Varley to direct the Post Office to offer cheap postal rates for Christmas cards.

Mr. Edward Taylor is also asking Employment Secretary Mr. Michael Foot how many people are employed directly or indirectly in making and selling Christmas cards.

In other questions, Mr. Taylor wants a study into the effect on small shops of a cut in Christmas card sales.

Mr. Taylor said yesterday that the proposed charges of 5p for first class and 6p for second class mail were applied to Christmas cards, 1975 may be the most cheery Christmas yet for the British people and the thousands whose livelihoods depended on the industry.

"While some people may complain that Christmas cards are superfluous, I am certain that for many elderly people they give real warmth and joy," he said.

# LABOUR NEWS AUEW may bid to lead fight against redundancies

BY JOHN WYLES, LABOUR REPORTER

BRITAIN'S second biggest union, the Amalgamated Union of Engineering Workers, is to make a late bid to mobilise the TUC's annual September Congress behind a militant programme to fight unemployment.

AUEW leaders have decided to move a lengthy amendment which, if passed, would transform a General and Municipal Workers Union motion on unemployment into a call on trade unions to take positive steps to fight redundancies at plant level.

A four-point plan proposed by the engineers "to ward off unemployment" urges maximum

"solidarity action" by all workers affected by the threat of unemployment, a shorter working week and an extension of statutory and annual holidays, a reduction, and where possible, elimination of overtime, and resistance to attempts to cut jobs through natural wastage and voluntary redundancy.

In addition, the AUEW wants to delete the GMWU's call for action to reduce unemployment based on a public works programme, temporary employment subsidies and selective import controls and substitute it with a programme controlling export capital and lowering interest rates, increased wages pensions and social benefits, more public ownership and the direction of industry to areas with above average unemployment.

## Economist's study predicts 4.4m. professional workers by 1981

BY CHRISTIAN TYLER, LABOUR STAFF

THERE IS likely to be a rapid increase in the numbers of professional and technical workers over the next six years, according to experimental projections by a Cambridge economist published today by the Government.

The number of doctors, nurses, teachers, scientists, engineers and other technicians and professional people (including artists) could rise to 4.4m. in 1981 compared with 2.7m. in 1971.

Administrators and managers will also increase as in recent years, but at a slower rate than previously, says Mr. Vivian Woodward, of the Department of Applied Economics at Cambridge University.

His study, the second of a two-part experiment in employment projection, appears in the Department of Employment's *Jobs in the Future*. The first article, in May, forecast a substantial expansion in the public service sector at the expense mainly of manufacturing industry.

To-day's article forecasts a continued decline of employment in farming, fishing and mining, but at a slower rate than between 1961 and 1971. Most "materials processing" occupations may also shrink, with the exception of electrical and electronic work. After their rapid growth in the last decade, the number of clerical jobs may stabilise at around the present 3.5m. Con-

## Crisis talks to-day over Observer redundancies

BY OUR LABOUR REPORTER

CRISIS talks to avert the threat of compulsory redundancies among at least 120 Observer printing workers will take place between management and print union leaders to-day.

Machine room chapel (office branch) leaders of the National Society of Operative Printers, Graphical and Media Personnel will be giving their first official reaction to the company's threat to issue sackings notices next Monday unless sufficient volunteers come forward this week to satisfy the needs of its urgent cost-cutting programme.

The threat was set out in a letter sent to print union general secretaries on Tuesday which made it clear that the Observer was prepared to risk protest action rather than delay any longer moves which its says are vital to save the newspaper.

The warning was directed specifically at the NATSOPA machine room chapel which has so far refused to produce volunteers for redundancy on the terms proposed by the management. The Observer wants to cut more than 120 jobs in this and the other chapel has offered to discuss a reduction of something in the region of 46.

There were some signs yesterday that NATSOPA men have been shaken by the management's warning and may be prepared to compromise rather than face the prospect of being held responsible for closing the newspaper.

Elsewhere at the Observer, NATSOPA clerical and National Union of Journalists chapels have produced the number of volunteers required by the company rather than delay any longer moves which its says are vital to save the newspaper.

## NUJ heads for £120,000 deficit

THE NATIONAL Union of Journalists is expected to plunge into a deep financial crisis this year with an estimated deficit of £120,000 despite an urgent economy drive that will save up to £10,000.

The union's projected losses which will be £60,000 up on last year, have heightened speculation that only a merger with a large union can guarantee its future. But provided the 25,000 NUJ members are prepared to accept an increase on their current subscriptions of £25-£30 a year, the union's leaders remain optimistic that they can continue to go it alone.

Although the NUJ's national executive has just agreed to economies, the union's leaders see little scope for further cost cutting without drastically reducing services to members. This means that the union's £460,000 annual income will be cut by 10 per cent, while its subscription increases next year.

The NUJ will look to its base for support. It is already up as security its fighting funds backing future disputes, to a part of the subscription fund.

NUJ leaders are still considering how to tackle the deeper cash flow which is caused by a large proportion of members being heavily in arrears—10 per cent of membership are still owing to the union, pay arrears were £100,000 at the end of last year.

## Strike ends at Parsons after three weeks

BY OUR NEWCASTLE CORRESPONDENT

FOUR THOUSAND manual workers at the Newcastle engineering plant of C. A. Parsons yesterday voted to end their three-week-old strike.

They will return to work on Monday after accepting a pay offer giving them 25 a week extra, backdated to July 1, and another 25 from January. The 25 rise will have to be offset against the national 25 pay limit in any further pay negotiations.

Shop stewards said the offer was only accepted "under duress" because the Government pay limits are due to come into effect on Friday and they

thought these would have limited the total award to 25. The stewards said they reserved the right to go back for more money as soon as possible. They have been demanding an immediate 10 per cent increase.

Mr. George Arnold, Tyneside chairman of the Confederation of Shipbuilding and Engineering Unions, said: "Because the men have been forced back by Government policy rather than by a reasonable company offer, I can foresee strained industrial relations at the plant for some months. The company has been hiding behind the Government policy."

## Port jobs cut funds plea

THE GOVERNMENT is considering a request for financial assistance to the Port of London to help a 1,100-man reduction in the dock labour force.

Subject to the Department of Employment granting the request for a £6m.-£7m. loan, the National Dock Labour Board has given London permission to reduce the men. The money is needed for up to £5,250 severance pay per head, to which the

men are entitled under the 1967 dock labour scheme.

London employers had asked for authorisation to reduce the 10,700-strong labour force by up to 2,000 men over the next six months.

But the National Dock Labour Board, on which both unions and employers are represented, obviously considered this figure too high, and authorised only 1,100.

## Port jobs cut funds plea

BY OUR NEWCASTLE CORRESPONDENT

that they represented an "agreed statement" by the Government, TUC and CBI.

Dissemination of the committee's message to managers and workers is backed by a double article in the Department's June issue of *Employment News* which has a distribution of 100,000.

Yesterday's launch gives public expression to research and advisory work already undertaken by the committee. This body has dealt with inquiries from 350 organisations since it was set up last December.

At a Press-conference yesterday Mr. John Boyd, general secretary of the Amalgamated Union of Engineering Workers, speaking for the union side, said: "We will be using this as a springboard for propaganda among shop stewards." He thought some of the craft union's resistance to change was due to the fact that skilled men's jobs were often oversimplified by new production techniques.

For the CBI, Mr. P. S. Linklater, personnel director of Shell U.K., said part of the purpose was to "release the experience" of the men actually doing the job. They usually knew the work better than any behavioural scientist or work study specialist.

Making Work More Satisfying: Tripartite Steering Group on Job Satisfaction; HMSO, 60p.

## D o E launches booklet on job satisfaction

BY CHRISTIAN TYLER, LABOUR STAFF

AN AMBITIOUS attempt to persuade managements and trade unions to co-operate on improving the quality of life at work was launched yesterday at the Department of Employment.

The Department was introducing a booklet on job satisfaction prepared by a tripartite committee representing Government, TUC and CBI. This committee was set up under the last Conservative Government at a time when the tripartite approach to national issues was a cornerstone of policy.

Presenting the booklet, Mr. Ian Fraser, Under-Secretary for Employment, said both sides of industry should not merely seek to come to terms with changes in workers' needs, but to build "a very positive way" on them.

Although the guidelines might not break much new ground theoretically, it was important

## Boredom

A principal theme of the booklet is that industry is beginning to realise that efficient production methods, often limiting the skill and responsibility of workers, can be counter-produc-

ive in leading to boredom and absenteeism.

It suggests eight general principles for re-designing jobs. Among these are to use individual skills, encourage learning, give workers a sense of responsibility, foster social relations at work, provide a challenge and introduce job variety.

Of the ways of reorganising work, the committee called the Tripartite Steering Group on Job Satisfaction recommends autonomous working groups with employees arranging their own schedules as a trial.

Most fruitful, experiments abroad on motor-car production lines have had some success in this.

It warns that greater responsibility for shopfloor workers may be seen as a threat to the authority of the manager who supervises them. He, therefore, should be given a managerial or coordinating role.

# The Marketing Scene

## UCDD on TV

BY PAMELA JUDGE

"R U IS" is a sign often seen in pubs and this is going to be matched with a series along the lines of "R U drinking DD?" as "R U drinking UCDD?" The new campaign for Double Diamond, the Allied Breweries beer which is claimed to have 4 per cent of the national 3,000 brand market, is said to be the biggest yet. It is also the first by the new agency Kirkwood which took over from Young and Rubicam where the "I'm only here for the beer" was coined. Posters, point-of-sale and masses of TV are the chosen media and the pay off line is "Too wonderful for words." The whole campaign is based on the theme of TV commercials having, for example, a disc jockey talking about VHF, LFP and, of course, DD. In another one there is a "phone box" conversation about the KGB and an ID parade.

The creative department at Kirkwood is working on developments of the theme with a military setting and in a hospital but obviously if the public responds, which is what is hoped for, then the idea can be stretched in a wide variety of directions. Advertising begins tomorrow and runs until Christmas.

James Macdonald Pollitt was yesterday appointed to handle the Government's counter-inflation propaganda campaign. It is believed that around £1.5m. to £2m. may be spent though no budget has officially been set.

ANGUS SHEARER, the former managing director of Young and Rubicam who left the agency in February, is setting up his own agency and in an unusual move is "Using Ogilvy Benson and Mather as the springboard."

The company to be called Angus Shearer Limited and headed by Mr. Shearer and OBM have put money into the venture. As yet there is no staff but the office is at the south end of Breitenham House, Lancaster Place, near enough to OBM but quite separate.

REARVIEW women may have made cuts in their spending because of the present inflationary situation, they have certainly not made them in the purchase of morale boosting beauty aids. The popularity of a wide range of products is still on the upswing according to the latest IPC Cosmetics and Toiletries Survey published yesterday.

IPC Cosmetics and Toiletries Survey: IPC Magazine Limited, 18/17 Long Acre, London, WC2E 9JG for the first copy, £12 for subsequent copies.

HARP LAGER, which is owned by the consortium of Arthur Guinness, Scottish and Newcastle Breweries, Courage and Greene King and Sons, is to test market Kronenbourg lager, the eminent Continental brand, in the Midlands and the south of England and has appointed Saatchi and Saatchi to handle the account.

Paul Mitton, marketing director of Harp, says that if the test market is right "and we are pretty sure it will be" then Kronenbourg would be launched next year but it is "very unlikely" to go national at that time. If the decision to launch is, say, the south was taken then, depending on the current levels of advertising in the lager market, Harp would be looking to spend the equivalent of £1m. nationally, "some of the Gervais-Danone group, will be in the 'low premiums' sector of the market alongside Harp Special."

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Pressures on the major multiples present an opportunity for the well-run symbol groups. ANTONY THORNCROFT reports.

## Future favours the small retailers

MARKETING in the U.K. too often means the activities of the grocery trade, because the grocery trade accounts for over a quarter of all retail sales, and because the grocery manufacturers have developed the greatest sophistication in selling to a mass market. Food advertising, for example, represents over 10 per cent of the £900m. spent annually on advertising, and in research, new product development, and pricing policies, it tends to be the grocery companies and the grocery retailers that lead the way.

So it is potentially far-reaching that the grocery trade seems to be passing through a period of great change. In 1974 the manufacturers temporarily gained the advantage over retailers because of the shortages that followed the three-day week. They could drive the bargains; they could postpone the production of new label lines; they could frighten the retailers into building up large and costly stocks.

Now the situation is quite different. The recession is starting to bite and large manufacturers are suffering an actual decline in sales for the first time in years. Heinz, for example, is selling over 5 per cent less product this year, and the producers are offering the retail trade very generous discounts to stock and promote their merchandise.

This is reflected in the own label situation. Last year the retailer's own label lines showed a much narrower price saving over the advertised brands, saving of barely six per cent. Now we are back to the 9 per cent differential, as the manufacturers are prepared to quote attractive prices to gain the business.

It is the same with stocks. There has been no dramatic de-stocking but retailers are cutting down on their supplies of extended use products like jam, margarine and cereals, while building up stocks of long life canned goods as a precaution against further price increases. Overall the de-stocking is more apparent in a reluctance to accept quite so many brands, with the second and third lines in a market being axed.

These are the changes that have already occurred. In the next year we face a real decline in living standards and a £5 limit on pay increases, which will ironically badly hit the profits of the low paid retail trade. In effect it is another blow for the multiple groups.

For years the multiple groups have dominated the business, pushing up their share of total sales to 48.4 per cent. Now they face a considerable increase in their labour bill, along with cuts in their profits and sharp rises in the rents and rates on their High Street premises.

They are under pressure to attract the finance to pay for the out-of-town super stores which are the best hope for the future, but the extra turnover comes from steadily less profitable conventional supermarkets.

The selling this year over £500m. worth of goods, actually participated in purchase of £500m. when the Keenest cash and carry chain is included. In the putting up prices, or off loading some of their smaller and less profitable outlets.

The main beneficiary of any change should be the local convenience store. This has happened in the U.S. and the major symbol groups here, Spar, Mace and VG, are well placed to take advantage of the new trends. Symbol groups are organisations of retailers and wholesalers with the advantage of one end of combined buying power and management advice while at the other the shops are family owned and local to shoppers' homes. All three are well placed to take advantage of the new trends.

VG is well above the 1975 target of £216m., through 3,500 shops, and Spar, which now accounts for £300m. outlets, is bigger than the £300m. worth of goods it is selling this year.

The symbols are aware that there is a gap between the discounts they can squeeze from the manufacturers and the prices in the shops. In fact they have concentrated on offering specially promoted lines at comparable prices to the multiples, while charging more for the less frequently purchased lines.

Mace this year has been cutting out the competitors and in-store excitement and putting its promotional money behind price cuts. VG followed a similar line in June, using a heavy TV

campaign to draw attention to money-off coupons in the Press. (It has worked well enough to justify a repeat exercise at Christmas. Crosse and Blackwell, one participant in the promotion, expected to sell 12,000 cases of baked beans and moved 25,000, and RHM reckoned it a record for selling flour.)

On the other hand Mike Reynolds of Spar reckons that the housewives like stable prices (and research by HIM confirms this). Spar froze its prices for three months and regarded it

spending £1m. plus on advertising, pushing the convenience store theme. As housewives increasingly dislike shopping, because of rising prices, and as they have to watch their cash flow, the accessibility of the symbol group stores becomes more attractive. They are offering the facilities of the American convenience store—locality, flexible opening hours, neighbourliness—but because they have to stock goods with a low turnover they inevitably charge more. In effect the symbol groups are torn between the complete convenience image, which in the U.S. means a price premium of over 25 per cent, and cheapness.

However, their future prospects look good. They tend to be family owned, and operated, with lower labour costs; they should gain from more professional buying at the top—Mace has reorganised its purchasing so that one committee negotiates with all the suppliers; they are becoming more flexible, reflecting the needs of the community, and sometimes carrying a confectionery, tobacco and newspaper section, with higher profit margins; and the shops are enjoying a closer relationship with the symbol group up which has increased its direct deliveries as the manufacturers hold off because of cost.

Not all the independent grocers, and not all the symbol group retailers, are expanding, but the Big Three are certainly managing a small increase in sales at a time of declining volume turnover. It is quite possible that in the next few years the multiples might try to sell some of their smaller super-markets (they just could not afford to pay for good managers to the symbols, who are firmly entrenched in the villages, in the council estates, and in the suburban arcades).

Until recently the symbol shops have been used by housewives for the topping up exercise, but they are gaining the confidence to go for the big weekly shop. They seem certain to gain from the contraction among multiples, and through the decision of independent minded grocers to throw in their hands. The future may be disagreeable for manufacturers, but basic foodstuffs will consume more of shrinking wage packets, and for the first time in a decade it is possible to predict a revival for these small retailers who have committed their future to the protective arm of a symbol group wholesaler.

Lack of national recognition had been a problem for the organisations, which tend to dominate different parts of the country, but now they are each

as "our most successful exercise." It will repeat it. Another area in which Spar is placing great emphasis is own label, which seems to be coming into prominence this year as shoppers down-trade. Spar increased its own label turnover by £10m. last year and expects to add another £15m. this year, towards a total of £60m. Mace, too, is pushing own label, and its sales in this category are up 40 per cent to £20m. as against the overall growth of 22 per cent.

VG is also widening its own label range, into such areas as frozen foods and sausages, so although the symbols may not be approaching the 50 per cent plus of Sainsbury in own label they are acknowledging the need for discount lines, which also promote the symbol name.

Lack of national recognition had been a problem for the organisations, which tend to dominate different parts of the country, but now they are each

ever, a food company was permitted to purchase tomato essence (a low value added item) from the Bulgarians as part of a deal involving the construction of a soft drink bottling plant. The reasoning behind this was probably complex, but indicates a willingness to relax the rules.

The second step involves the implementation of industrial marketing techniques, a novel experience for those used to Communist trading practices. However, it is quite common to find East European staff in the organisations responsible for operating counterpurchase agreements who have attended courses at business schools in the West. The effects of this are beginning to be felt and, for ex-

ample, trading agencies in both Hungary and Poland have expressed interest in using market research to identify the products best suited to Western markets and to develop the marketing and pricing strategies that should be adopted. So far, they have tended to leave this to their Western partners but in the past there have rarely been in the picture early enough to have any influence over the products manufactured. The prospect of carrying out market research on behalf of Eastern Bloc countries may prove daunting for most market research agencies but is probably a more workable option than Polish and Hungarian "researchers" attempting to do it for themselves.

These bonds have been offered and sold exclusively in Japan. This announcement appears in a number of financial papers.

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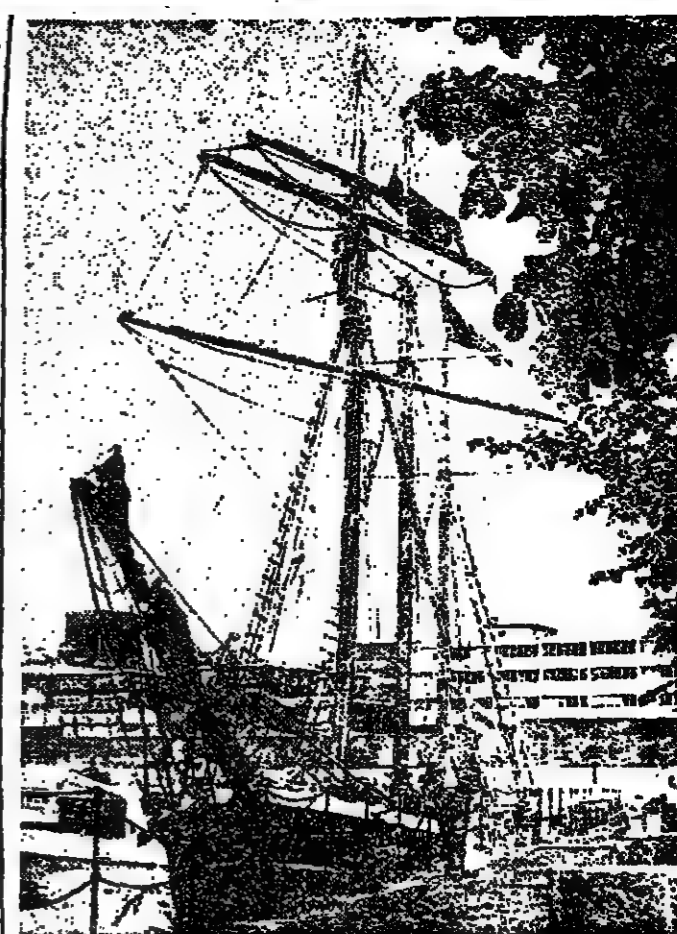
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## Sailing computers

CHARLOTTE RHODES, the schooner that graced the Obedin Line, will be pushing the Phillips line next month as it tours British ports promoting and selling computers from Phillips Electrolitics. This is the third year that the boat has been used as a floating exhibition for office computers.

In 1973 there was a two week experimental visit to north-western ports, and last year she toured most of the major ports on a two-month expedition. During the voyage over 2,000 exhibitions on board and the company reckons that £128,000 worth of new business can be accounted for by the tour. In

## The cost of PR

BY PAMELA JUDGE

SALARIES OF over £11,000 are paid to 4.1 per cent of the members of the Institute of Public Relations; the average for fellows of the Institute is £10,400, and those over 46 years of age set for insurance, banking and finance houses get on average £8,355 a year.

Those are the highest paid operators in the field. The figures come from the 1975 salary survey conducted by the Institute. The results show that at January 1 the average salary was £5,733, with men getting £5,828 and women £5,315. While 10.8 per cent of members were paid over £9,000, nearly 50 per cent received under £5,000.

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A new report by THE MEDIA DEPARTMENT LTD. analyses the effects of recent price rises on sales of the National and London Evening News and projects the latest trends to the end of 1975. The report, dated June 1975, is entitled—'Newspaper Price Rises and their Effect on Circulations'.

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**TMD** THE MEDIA DEPARTMENT

As currencies become more unpredictable companies are turning towards barter

## When tyres change into cars

BY CHRISTOPHER WEST, INDUSTRIAL MARKET RESEARCH

BARTER IS not a common term in industrial marketing circles. Check the indexes of marketing texts: there is barely a reference to barter dealing. Yet ever since Exau exchanged his birthright for a mess of pottage, barter has accounted for a significant proportion of transactions. To-day, barter, and the more sophisticated derivatives such as switch deals and counter purchase agreements, are confined to situations where for one reason or another straight payments in convertible currency are not possible; but these instances are on the increase and industrial marketing men are having to add a new dimension to their activities.

The most common and best documented barter deals are between Communist countries and the West. Once negotiated at government level, as with the series organised between the Hungarians and the Russians in the 50's and 60's exchange of products, they are very largely the responsibility of individual com-

panies wishing to sell into the Eastern bloc. There was a brief period in the late 60's when it was thought that Communist currencies would become freely convertible by to-day the East is in at least as much payment trouble as the West and is seeking to finance an ever-increasing proportion of trade by bilateral agreements with Western companies.

These deals pose serious problems for the marketing departments of the firms involved. The goods offered by the Eastern countries for barter transactions tend to be those which they find difficulty in disposing of by conventional means. They may be the product of over-investment or mis-investment, giving rise to production surpluses. Hungarian Tokai, Beluga caviar and Polish vodka can find a ready enough market in the West without being part of a barter deal and are valued earners of foreign exchange.

Less happy

However, Communist manufactured goods tend to be in a less happy position: the designs may satisfy Western Communist customers (who indeed may have no choice but to accept them) but in competitive Western markets the lack of knowledge of customers' requirements has a telling effect on sales potential. The Hungarians invested in a factory to produce automobile filters, many of which were types being phased out in the West, and while market research which could have avoided this situation, has been carried out for Communist producers, it tends to be the exception rather than the rule.

A simple solution for companies faced with barter transactions is to approach switch traders who, for a suitable discount, will dispose of the products. Such deals can, however, prove financially unattractive if administratively convenient, and an increasing number of companies are being tempted to organise their own marketing operation for East European goods. When doing so they may attempt to simplify the problem by concentrating transactions on goods which, irrespective of specification or design, light bulbs, jerry cans, glassware and filters can be more readily disposed of than complex machinery. There is also a growing trend towards services such as printing and even holidays where the Eastern bloc may have a competitive advantage over Western countries. This year, Western companies of GEC, BSC, Ford, British Leyland and B.M.W. are taking their holidays in Eastern Europe as one side of various counterpurchase agreements. This has tended to narrow the range of products departments struggling to dis-

pose of substantial volumes of goods which by virtue of their specifications, design and origin are in varying degrees unsuitable for sale in the West. They are often goods outside the normal experience of the companies involved; a chemical company found itself competing in the textile trade to dispose of goods accepted under an agreement in the East. Furthermore, the Western company may have to sell in competition with established agents for the goods, which in addition to making the task more difficult, creates some diplomatic problems.

Most companies attempt to minimise the effect by taking products which they can utilise in-house such as production machinery and components. One motor manufacturer took leathercloth and tyres in order to sell cars. There are, however, limits to the extent to which this course can be pursued, particularly if the volumes are large. Most Eastern bloc countries operate a payments multiplier, depending on the nature of the goods that the Western companies wish to export on to them. Obviously if they require something badly enough they will release foreign exchange for it, but in the case of non-essential luxury goods they may insist that the Western company accepts imports to the tune of one and a half times, or even twice, the value of goods they wish to export. The value of the goods sold into Eastern Europe is financed out of currency so earned and the countries get a hidden bonus in the form of free marketing activity carried out on their behalf.

The counter-balancing situation occurs when countries are so desperate to dispose of products that they run the system in reverse and operate a payments divisor.

## Enlightened

There are signs that the situation is changing in favour of a more enlightened approach by Eastern Bloc countries. They realise that they can procure the goods they need by trading with them badly enough but to what avail if the products end up on the shelves of the Railway Post Property Office and other outlets for surplus goods at knockdown prices? The first step is to make more attractive product packages available to Western companies. To date, in a competitive advantage over Western countries, the Communist countries have tended to confine barter transactions to B.M.W. is taking their holidays in Eastern Europe as one side of various counterpurchase agreements. This has tended to narrow the range of products departments struggling to dis-

ever, a food company was permitted to purchase tomato essence (a low value added item) from the Bulgarians as part of a deal involving the construction of a soft drink bottling plant. The reasoning behind this was probably complex, but indicates a willingness to relax the rules.

The second step involves the implementation of industrial marketing techniques, a novel experience for those used to Communist trading practices. However, it is quite common to find East European staff in the organisations responsible for operating counterpurchase agreements who have attended courses at business schools in the West. The effects of this are beginning to be felt and, for ex-





# COMPANY NEWS + COMMENT

## De La Rue first quarter profit setback

FROM sales up by nearly 54m, at £27m, first quarter pre-tax profits of the De La Rue group of security printers, makers of plastic products and materials etc., have fallen from £2.5m to £1.8m, with stated earnings per 50p share down from 9.9p to 1.8p.

Reporting the results at yesterday's annual meeting, the chairman, Sir Arthur Norman, said they were as expected, sharply reduced from the levels achieved in the first quarter of 1974-75, which included Formula results which had only been exceeded once in any previous quarter.

This year the figures reflected the continued downturn in the demand for Formula products in most areas of the world, coupled with the effects of industrial action in the Crossfield and Security printing businesses.

These latter problems had resulted in a loss of momentum in the first half, and this would have the effect of concentrating profits for the year as a whole in the last two quarters, Sir Arthur added.

Improved Security profits for the year were expected to be accompanied by a measure of recovery in the Crossfield operations, although the outlook for Formula products in most areas of the world remained unfavourable.

There were many uncertainties in the economic situation of the country, the chairman said, but on information at present available, the Board expected the outcome of the year to be in line with its stated aim of producing reasonably steady results in this difficult period.

For the full year in March 31, 1975, sales were £100m, pre-tax profit £2.5m, and stated earnings 9.9p per share.

First quarter results are compared in the table. Trading profit expressed as a percentage of sales slumped from 9.1 to 6.4.

Down 18p to 142p yesterday, the De La Rue share price has dropped nearly a fifth this week—and first-quarter profits down by 70 per cent, pre-tax explain why.

Comment: Last year's Crossfield acquisition has moved into the red, having contributed around £2.5m to profits in the second half of 1974-75, and the company's first quarter profit was down by £1.8m. The longer term, he said, continued to look attractive, having regard to increased capacity in manufacturing units and greater spread in overseas territories.

Comment: The company's manufacturing operations are still making progress, and the group's balance sheet at the end of the year is expected to be in a strong position.

Comment: A virtually unchanged first half, Edbro's pre-tax profits are

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## Edbro turns in peak £1.81m.

THE IMPROVEMENT in pre-tax profit forecast by Edbro (Holdings) for the year to March 31, 1975, turns out to be £1.81m, a record £1.81m, after a marginal rise to £0.67m, at half-year.

Sales increased in money value by about 35 per cent—in real terms the increase was about 16 per cent, attained with almost the same labour force, says the chairman, Mr. L. V. D. Tindale. Earnings per 33p share increased from 11p to 13.35p, margins declined by 11 per cent, as a result of price control at home and pricing difficulty in dollar territories. The dividend is raised from 4.35p to 4.80p, a 10 per cent increase.

Mr. Tindale yesterday reported that the first quarter of the current year had been "magnificent," but the company was now working on a 1975 "and it might be delayed."

The company would, however, continue with a further £0.5m improvement project which would come on stream in the middle of next year.

Comment: He did not see any financing problem on the business as at present running, although a net cash position of £0.2m had been reduced in a net overdraft of £1m, by March.

Comment: The net figure had been substantially reduced, coming down to around the £0.7m level.

Comment: Cautious about making predictions, he said he did not at present see this year's profits as likely to equal last year's, but did not expect a "catastrophic fall."

Comment: The first half might show a small downturn.

Comment: The longer term, he said, continued to look attractive, having regard to increased capacity in manufacturing units and greater spread in overseas territories.

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turns out to have been far better than was indicated at the interim stage. After a 23 per cent, pre-tax increase at six months, the group has subsequently managed to hold its own with a 15 per cent, profit rise and an improvement in margins to 10 per cent—the best level achieved in any of the last four half-years.

But overall there is a general tone of optimism and depressed market conditions, it seems that WF has managed not only a better product mix but also increased its overall market share. As for the current year, it seems that while sales are ahead (in value terms), there is a real possibility that profitability may slide back in the face of rising costs. But overall there is a general tone of optimism and depressed market conditions, it seems that WF has managed not only a better product mix but also increased its overall market share.

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## DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corr. of dividend	Total for year	Total last year
Albion	0.31	Sept. 12	0.51	—	2.07
Bath & Portland	Int.	Sept. 12	1.0	—	2.47
Edbro	1.17	Sept. 12	3.02	4.57	4.59
W. Henshaw (Additions)	0.28	Oct. 8	Nil	0.28	Nil
Leaderfish (Doors) Int.	0.33	—	Nil	—	0.34
Manchester Garages Int.	0.2	Aug. 29	0.25	0.45	0.55
North and West	2.15	—	—	—	2
Plastic Constr.	Int.	1.0	Sept. 18	0.74	—
RFD Group	0.88	Sept. 13	0.1	1.38	0.1
Somportex	2.78	Sept. 5	2.59	2.76	2.59
Syltone	2.15	Sept. 15	2.5	4.1	4.2
TMC Group	Int. (2.25)	Sept. 15	2.82	4.29	4.02
Wholesale Fittings	2.75	—	—	—	—

Dividends shown pence per share net except where otherwise stated. \*Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. (a) Gross throughout.

In North America Tricentral's share of Montana Gas production for the first quarter averaged 15.5m. cubic feet per day (22.3m.) and a development drilling programme is now under way, while in Canada, returns from gas and oil sales continue to be satisfactory.

Commercial division results are adversely affected by terminal losses of the engineering group and "Silverline" travel group's London Airport-based coach operation which will affect the first half. Builders merchants groups in the U.K., Netherlands and Canada are all suffering from the downturn in building starts, but are well placed to take advantage of any upturn.

Car and truck groups continue to trade successfully and the hardware and garden supplies group, enlarged by the acquisition of McIlmna, has traded well and made a profit for the first quarter of 1975 (£154,000).

Other overseas commercial groups continue to trade satisfactorily, and the newly acquired Australian company (loss 2.48p) George has begun to contribute to profits.

Earnings per 10p share for the year are shown as 6.15p before extraordinary items (loss 2.48p) and 2.51p after such items (loss 2.15p).

The final dividend is 0.578p net, making 1.789p against 0.1p. This is the maximum payable and has received Treasury approval.

Net tangible assets are given as 35.8p (30.1p) per share.

Results include Transmex Textiles for a full year for the first time. Further progress was made by the Perseverance Mill and the Dutch subsidiary but the main reason for the turnaround in the recovery at RFD-GQ, the largest operating subsidiary, following complete reorganisation of management structure and adoption of "more realistic commercial policies, particularly in export markets."

Following a profitable year the group is in a sound financial position and is concentrating on long-term development and expansion both in the U.K. and abroad, members are told.

Trading since the end of the year has been at a satisfactory level but the company is making no forecast of the outcome for the current year.

Comment: A £17m. turnaround from losses by the RFD-GQ subsidiary and a substantial improvement by the textile division (boosted by a first-time inclusion of Transmex) are the main features of RFD-GQ's 1974-75 recovery. RFD-GQ, which underwent a massive reorganisation last year following the introduction of new top level management, has been divided into five separate subsidiaries which are all now operating on a completely new export pricing policy. The textile companies, however, are now beginning to feel the effects of the current world textile recession and profits from here will almost certainly be lower in the current year. But the benefits from the RFD-GQ re-structuring operation are still coming through and all five subsidiaries are apparently performing well. The group therefore looks capable of remaining on the upward trend in 1975-76 and that seems to provide a firm base for the shares which at 201p are yielding 9.3 per cent, covered more than five times.

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## ISSUE NEWS AND COMMENT

## BTR 1-for-5 rights to raise £5.7m.

BTR announces that arrangements have been made for the issue of Ordinary shares by way of rights to shareholders to raise about £5.7m. The new shares will be offered to the Ordinary holders registered July 25 on the basis of one for every five shares held at 90p per share.

Figures for the half-year to June 28, 1975, show sales and profits overseas substantially better than last year and those for the U.K. are also at higher levels. Consolidated pre-tax profits for the six months and profits after tax and minorities for the same period are estimated to be £28m. and £24m. respectively. This represents an increase of 50 per cent. and 33 per cent., respectively, over the corresponding period last year.

The new shares will rank for all dividends declared in respect of the current year. In view of prospects, the board expects net dividends totalling 6.5p per share (compared with 3.39p net) on the increased capital. Consent has been received from the Treasury to pay dividends up to this level. Additional equity capital will strengthen the capital base of the group and enable it to take full advantage of expansion opportunities. The new shares will result in a material reduction in interest charges.

The issue was underwritten by Hill Samuel, Brokers were Cazenove and Co.

Comment: Considering BTR's first half profits are expected to be some 50 per cent. higher, it seems odd that the company is looking for funds to expand its business. True, working capital requirements rose by some £7.2m. last year, but borrowing at the year-end was hardly high at 40 per cent. of capital employed. Moreover, cash flow last year was expected to substantially cover the capital expenditure programme.

# Bath & Portland keeps to shortfall forecast

A BETTER than expected pre-tax profit of £214,814, against £202,000 before redundancy payment of £23,772, is announced by The Bath and Portland Group for the six months to April 30, 1975. However, the chairman, Sir Kenneth Selby, is keeping to his April forecast of some shortfall in the year's profit compared with the £2.02m. for the year to October 31, 1974.

He points out that profits from the Iranian contract, the terms of which give protection against inflation, will not commence until 1975-76.

A same again interim dividend of 1p net is declared, costing £145,221. Last year's total was 2.47p.

No progress was made in dealing with the Department of the Environment in the payment of the heavy additional costs the company has been forced to incur on two motorway contracts. The costs relate to delayed, varied and extra work and now aggregate some £4m. and are likely to reach £5m. before completion. One of the two contracts has recently been completed and the other will be finished later this year.

The chairman stresses that continued refusal of the department to make any significant interim payment on the claims has severely restricted the group's growth and the service it can give to the economy.

Against this must, however, be set the "tremendous" help received from The Department of Industry and from the bankers in the award to the group of the largest highway contract ever awarded by Iran to a foreign contractor.

## TO-DAY'S COMPANY MEETINGS

Amrose Investment Trust, Moorgate Place, E.C. 12.30. Armitage Shanks, Birmingham, 12. Bradford Property Trust, Bradford, 12. British Steam Specialities, Leicester, 12. Bulmer and Lumb, Bradford, 12. Chapman (Batham), Great Eastern Hotel, E.C. 12. Charrington, Gardner, Locket, Charing Cross Hotel, Strand, W.C. 12. Cohen (A.), 8, Waterloo Place, S.W. 12. Culler Guard Bridge, Aberdeenshire, 12.30. Ellerman Lines, 12. Camomile Street, E.C. 12. Haslemere Estates, 4, Carlos Place, Mayfair, W. 12. Highgate and Job, Paisley, 12.30. Kennedy (Allan), Stockton-on-Tees, 10.30. Lamont Holdings, Edinburgh, 12. M.K. Electric Holdings, Winchester House, E.C. 12. Pickles (Wm.), Manchester, 12.30. Plantation Holdings, Abercorn Rooms, E.C. 12. Press (Wm.), Inn on the Park, W. 11.30. Reed International, 20, Aldermanbury, E.C. 12. Sheepbridge Engineering, Grover House, Park Lane, W. 12.30. Tunnel Holdings, 21, Tottil Street, S.W. 12.30. Witan Investment, 11, Austin Friars, E.C. 11.30.

The directors will continue to seek overseas opportunities.

## comment

Bath and Portland's trading margins are slightly ahead and this kind of defensive strength runs through the interim figures. The interest charge, for example, is swollen by an abnormal £2.2m. while a 40 per cent. hike in the kind of defensive strength runs through the interim figures. The interest charge, for example, is swollen by an abnormal £2.2m. while a 40 per cent. hike in the kind of defensive strength runs through the interim figures.

Against this must, however, be set the "tremendous" help received from The Department of Industry and from the bankers in the award to the group of the largest highway contract ever awarded by Iran to a foreign contractor.

## BIDS AND DEALS

### Ellerman bid for J. W. Cameron

BY DAVID BELL

Ellerman Lines announced last night that it has made a £10m. agreed bid for the 70.5 per cent. of J. W. Cameron, the Horleypool brewers, which it does not already own.

The offer, which has been widely expected ever since Ellerman said that it was having talks about a possible bid in May, is 12.5p in cash for each Cameron 25p Ordinary, 40p cash for every 2.5 per cent. cumulative preference, and 47p cash for every 4.2 per cent. cumulative preference. On this basis, the whole company—including Ellerman's existing 30 per cent. stake—is valued at some £14m.

Base Charrington, which has 11 per cent. of the Cameron equity, has agreed to the bid as have the Cameron family interests which, taken together, represent a further 20 per cent. Cameron shares closed last night at 12.4p, up 2p on the day.

Ellerman Lines which, apart from its shipping interests, already has investments in travel and leisure, considers the acquisition of Cameron, which has some 700 retail outlets in the North of England, will constitute a substantial and valuable diversification for the group's leisure interests. There are no redundancies as a result of the deal which is subject to the usual conditions including the approval of the Office of Fair Trading. The business will continue to be run from Horleypool.

Ellerman acquired almost all its initial 29.5 per cent. stake in January last year when it bought 27.02 per cent. from the Ellerman Trust. At that time the Ordinary price was 10p net share, but since then it has been as low as 4.5p and was about 3.5p only a week before the May announcement of talks.

AGREED BID BY CHARTERHALL FOR WHINSARKEN  
Charterhall Finance Holdings, which has interests in North Sea oil exploration, has made an agreed bid for the capital of Whinsarken Investments, which also has interests in the North Sea.

The offer is one new Charterhall share for every two Whinsarken shares, which values the deal at about £1m. Mr. M. S. Vickers, the principal shareholder since Slater Walker Securities sold its stake in 1973, has agreed to accept the offer in respect of his holding of 1,038m. share (38 per cent.). Whinsarken reported a loss in 1974 of £695,200, but the annual report published in June this year indicated that the company is now making a profit. For its part, Charterhall has a 7 per cent. stake in the Transwairdion Corporation, which has discovered oil in block 21/1, though its 35 per cent. stake in CPP North Sea Associates.

cent. stake in CPP North Sea Associates.

minerals. However, there are profits to be taken already on the three-year Iranian contract and this shows how astutely the group has shifted its earnings base. At 36p, a yield of 10.5 per cent. has some attraction.

## Smith Hldgs. plans issue to director

Shareholders in Smith Holdings (Whitworth) are to be asked to approve an issue of 250,000 new shares to Mr. J. A. G. Barker, who was appointed managing director last December of the Rochdale-based group which makes machinery for the chemical, food, paper, plastics and textile industries and fabricates steel components for a variety of industries.

In a letter to shareholders in which he says the Board recommends approval of the issue, Mr. T. W. Borges, chairman, refers to the considerably improved financial and trading position of Smith in the second half of 1974-75, and says the directors feel it desirable for Mr. Barker to have the opportunity to subscribe for a small percentage of the equity, since he has no right to participate in profits.

The proposed issue prices will be equal to the average middle market quotation in the four days immediately prior to August 22, the date of the necessary extraordinary meeting. Subsequently, Mr. Barker would own some 6.5 per cent. of the enlarged equity, including 10,000 shares he already has.

The directors and their families, owning 16.18 per cent. of the capital, will vote in favour of the issue, Mr. Borges, pointing to the company's improved position—following a first half loss of £254,000 in the year to March 1975, ended with an £11,908 profit—said yesterday the Board felt for some time that it wanted to give Mr. Barker an opportunity to take a stake in the company and commented on the difficulties of share incentive schemes.

cent. stake in CPP North Sea Associates.

ASTRA BUYING REST OF ZINC ALLOY  
Astra Securities, the Staffordshire electrical and mechanical engineering holding company, is to buy about £55,000 to acquire in an agreed bid the remaining 76 per cent. of Zinc Alloy Rest Profits which it does not already own.

The terms are 10p cash for each Ordinary share and 50p for each 4.8 per cent. non-cumulative Preference share. Astra is a subsidiary of the rust proofing of nails, components and other items.

SEAHAM DOCK  
Holders of 70 per cent. of Ordinary shares of Seaham Harbour Dock have indicated they no longer regard their irrevocable undertakings to accept the Tinline Estates offer as having any effect, because bindingly committed funds have not been made available through no fault of Tinline.

Tinline is obtaining legal advice as to its position and in the meantime is making efforts to find alternative sources of funds. As soon as such funds become available, documents containing the offer will be posted to shareholders, it was stated yesterday.

## MINING NEWS

# Amax is to acquire Copper Range

BY LESLIE PARKER, MINING EDITOR

A DEFINITIVE agreement has been reached between Amax and Copper Range companies whereby the latter will be acquired by Amax. A registration statement has been filed with the U.S. Securities and Exchange Commission and proxies are expected to be sent out by Copper Range to its shareholders within the next few days. An agreement in principle was originally announced last November.

Copper Range shareholders will be asked to approve the deal at a special meeting in New York on August 28. The terms are 0.8 of an Amax share for every share in Copper Range which Amax does not already own. Its present stake in Copper Range is 19.9 per cent.

In the half-year to June Copper Range made a net loss of \$3.85m., equal to \$1.70 share, compared with a profit of \$18.48m. or \$7.03 a share in the same period of 1974. A 43 per cent. fall in the average selling price received for primary copper is stated to have been the most significant factor in the decline although also contributing were the continuing strike at the Huesey fabricating division and a stock write-down.

The half-year production of refined copper at the White Pine mine was 75,59m. pounds compared with 75,88m. pounds in the same period of 1974. The deal would involve the issue of some 1.5m. Amax shares and would mean a further slight reduction in a section Trust's percentage holding of the U.S. company's capital, at present 9.3.

## MOUNT LYELL'S LME PROFIT

The Gold Fields group's Mount Lyell copper producer in Tasmania has successfully fought off the adverse effects on its profits of low copper prices by dealing shrewdly in forward positions on the London Metal Exchange.

As already announced, these metal dealings made a profit of \$7.7m. in the first half of the company's year to June 30. The full year results bring this profit to \$10.7m., including dividends and sundry revenues.

On the other side of the coin, mining operations have resulted in a loss of \$8.29m. compared with a pre-tax profit of \$13.3m. in 1973-74 when copper prices were at a peak.

The final result is that Mount Lyell has come out with a net profit, albeit much reduced, of \$3.1m. for the past year compared with \$7.2m. in 1973-74. The latest dividend, total, is reduced to 5 cents from 17.5 cents (including bonus). The reduction takes into account rising operating costs and heavy capital expenditure. Mount Lyell were 35p in London yesterday.

## BELLAMBI HITS AT MR. CONNOR

The Gold Fields group's Bellambi coal operation in Australia says that no preliminary profits statement for the year to June 30 can be issued until all coal sales contract terms for the year beginning April 1 last have property, offshore servicing and trading, on the formation of a new joint holding company Swire Petrocon (Hong Kong).

In turn, Swire Petrocon (Hong Kong) will have a wholly-owned operating subsidiary in Singapore—Petrocon, Swire Pte.

It is intended to establish a major base in Singapore from which a range of technical services will be available to the rapidly developing oil and gas industry in South-East Asia.

Meanwhile, the Bellambi directors "record their concern at the intervention of the Minister for Minerals and Energy, Mr. R. F. X. Connor." It is pointed out that in March he set a guideline price for the contract which was unacceptable to the Japanese. Consequently, no settlement was possible until the Minister intervened in Japan during the first week of this month.

Bellambi adds that in the meantime the deepening recession had strengthened the Japanese stance and the Minister subsequently settled for a price well below his earlier guideline and left some important details unresolved. This Government interference could prejudice future commercial negotiations in the view of Bellambi which also points out that four months after the start of the contract year it has not yet received any of the increase in price from sales to Japan.

## Another Windarra?

WITHOUT CAUSING anything of a stir in its shares in Sydney, Australia's Endeavour Oil stated that work on its Forresteria project in Western Australia, a joint venture with America's Amax, had indicated that the area may contain a nickel reserve at least equal to that at Poseidon's Windarra property in which Western Mining now has a 50 per cent. stake.

In reply to a Melbourne Stock Exchange query Endeavour's chairman Mr. E. A. Webb said that reserves at the Cosmic Boy mine, which were still confidential, added to the known ones at Digger Rocks brought the total for the Forresteria area to a reserve of 1.94 per cent. nickel. Amax can add up to a 70 per cent. interest in the Endeavour prospect in return for certain prospecting expenditures.

The latest drilling had indicated that economic grades at Digger Rocks could extend further to the south. Mr. Webb concluded by saying that we believe these facts justify the "qualified optimism" of our statement to the exchange but "please bear in mind that we are comparing the Forresteria area as a whole with Windarra." In London, Endeavour were 12p.

## ROUND-UP

The RTZ group's British Columbia copper producer Lornax Mining Corporation announces a big drop in its half-year earnings from \$11.07m. to \$0.88m. or from \$2.56 a share to 8 cents. The fall is stated to be due mainly to substantially lower copper prices but it is also pointed out that production levels have been reduced owing to the world over-supply of copper concentrates and metal which is particularly acute in Japan where most of its output is sold. Rio Algom, the 51 per cent. owned Canadian subsidiary of RTZ, has a 55 per cent. stake in

property, offshore servicing and trading, on the formation of a new joint holding company Swire Petrocon (Hong Kong).

In turn, Swire Petrocon (Hong Kong) will have a wholly-owned operating subsidiary in Singapore—Petrocon, Swire Pte.

It is intended to establish a major base in Singapore from which a range of technical services will be available to the rapidly developing oil and gas industry in South-East Asia.

## The English Card Clothing Co. Ltd.

SUMMARY OF RESULTS	1975	1974
	£000's	£000's
Sales	13,556	8,893
Profit before Tax	2,867	1,481
Profit after Tax	1,207	601
Earnings of the year attributable to Ordinary Shareholders	1,009	518
Per Share	17.5p	8.9p
Ordinary Dividend Per Share	2.19p	2.0825p
Return on Net Assets Employed	22%	14%

Highlights from the statement by: Simon Rothery, Chairman

Profit before tax nearly double.

U.K., Continent & India have shown equal expansion.

Copies of the Report & Accounts can be obtained from the Secretary, Acro Street, Huddersfield.

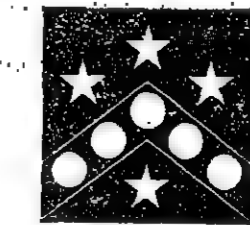


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HEAD OFFICE: WELLINGTON

# Johnson Matthey report £17.14m pre-tax profit



- \* SUBSTANTIAL REINVESTMENT PROGRAMME
- \* MAXIMUM PERMITTED DIVIDEND
- \* RELOCATIONS AIMED AT INCREASED EFFICIENCY

## Extracts from the report by Lord Robens to the Annual General Meeting on 30th July 1975

For the year to 31st March 1975, the group's pre-tax profits were £17.14 million, including our share of the profits in associated companies.

The directors recommend a final dividend on the ordinary shares of 5.226 pence per share, making a total for the year of 10.226 pence. This is the maximum permitted by current legislation.

Outlook The improving profits of our last three years have been substantial steps in our planned progress. Current business conditions dictate a delay in accomplishing our plans but not their abandonment.

It is inescapable that profits will be reduced while the present recession lasts and we see no signs of an early or quick resumption of the tempo of 1974.

Nevertheless it is our intention to go ahead with a substantial rate of reinvestment in the UK and in other countries where we are already active; investment in people, in non-productive installations designed to preserve the environment and to safeguard the health of our people, and investment in better production facilities, both machinery and their housing.

Because we shall have enhanced our capability in the bad times we shall be the better placed to take advantage of the improved conditions that will follow.

The year began at a high level of activity that gave way after a few months to the recession that now grips the world.

A pause in the price advance of the precious metals still further improved our liquidity. The year ended with inflation and under-utilised capacity as our main worries.

Year ended 31st March 1975	
Group pre-tax profits	£17.14 million
Taxation	£8.77 million
Ordinary share dividend	10.226p
Retained	£5.98 million

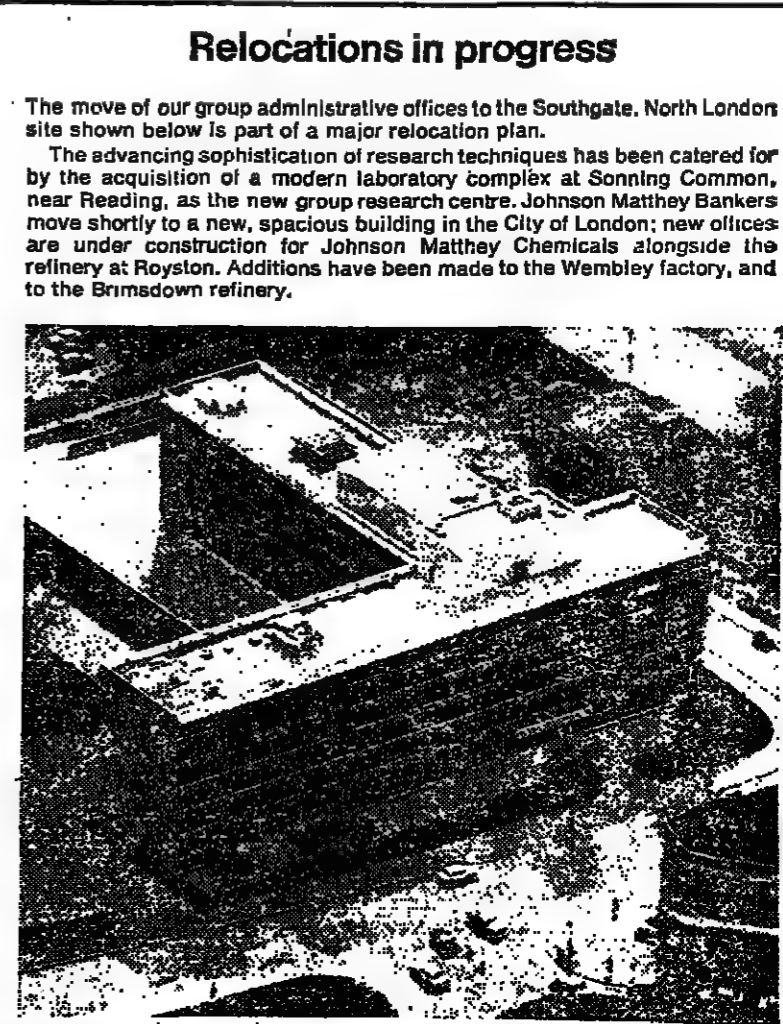
Copies of the Directors' Report and Statement of Accounts are available from the Company Secretary

5 years' comparison of results

	1975	1974	1973	1972	1971
	£'000	£'000	£'000	£'000	£'000
Profit of the group before taxation	17,139	15,209	10,942	5,083	6,256
Profit of the group after taxation	8,370	7,231	3,391	2,918	4,099
Total distribution to shareholders	7,745	1,695	1,490	1,388	1,293
Retained	5,979	5,569	4,404	713	1,882
Capital employed	£1,159	72,561	55,293	46,121	45,778



JOHNSON, MATTHEY & CO., LIMITED 78 Hatton Garden London EC1P 1AE



## Relocations in progress

The move of our group administrative offices to the Southgate, North London site shown below is part of a major relocation plan.

The advancing sophistication of research techniques has been catered for by the acquisition of a modern laboratory complex at Sonning Common, near Reading, as the new group research centre. Johnson Matthey Bankers move shortly to a new, spacious building in the City of London; new offices are under construction for Johnson Matthey Chemicals alongside the refinery at Royston. Additions have been made to the Wembley factory, and to the Brimdown refinery.

# Montague L. Meyer sees little change

AN IMPROVEMENT in profits in the second half of the current financial year is forecast by Mr. Montague L. Meyer, chairman of the company, in a statement to shareholders.

Mr. Meyer thinks the first half will be fairly steady in line with the second half of last year, but profits should then improve, so that the year's results should not be materially different from those of 1974-75.

We are so constituted that we do not need boom times to show high profits; reasonably normal conditions will produce the profits that we are capable of maintaining," he declares.

As reported on July 17, turnover dropped by only £7m. to £135m. in the year to March 31, 1975, but pre-tax profits were reduced to £7.2m. from £12.7m. after a first half contraction from £8.5m. to £4.2m. The dividend is 1.98p (1.784p) net.

Mr. Meyer points out that the fall in world prices resulted in an absence of stock profits and also affected the profits of associates.

A subsidiary, Crosby and Co., experienced problems in setting up a new extensively automated window factory.

During the year the group considerably strengthened its balance sheet. By reducing buying and making the best use of existing stocks through internal clearing-house, stockholding was reduced by £7m. and further reductions have been achieved since the end of the financial year.

Debtors have also been reduced by £5m. and total current liabilities have fallen by £19m. Net bank indebtedness increased by £1.7m. (£4.6m. increase).

Last May the company acquired from Veneta International 50 per cent. of the capital of Keizer Veneta for £2.4m. cash.

Although Meyer's has decided not to introduce inflation accounting until the Sandilands Report is available and the Government's precise views known, if the accounts now presented were made up on the basis of inflation accounting, they would show no material difference in earnings but an increase of 10 per cent. in ordinary holders' funds, it is stated.

Meeting, Charing Cross Hotel, W.C. September 3, noon.

Chairman's statement Page 16

## TMG lifts interim to 6.25p

DUBLIN-BASED iron foundry, etc., The TMG Group reports sales of £3.74m. and pre-tax profit of £210,000 for the first half of 1975.

The directors "see no reason why such profitability should not continue for the second half."

The six months results are for the enlarged group and therefore are not directly comparable with the £24,000 for the first half of 1974. Profit for the year 1974 was £105,718.

The interim dividend is raised from 2.5p to 6.25p gross. Last year's total was 8.75p per 25p share.

Tax for the six months is £50,000 (nil).

**Greenmount & Boyne loss**

REPORTING a loss situation for the period to June 30, 1975, the directors of Greenmount and Boyne, announce that a loan has been obtained from Fort Teorunne.

Manufacturing levels are now in line with plans, the order book is healthy, and prospects for the second half—in the light of what has gone before—are reasonable.

The dividend for the first half of 1975 on the first and second preference stock has been postponed and the current accounting period extended from December 31 to cover the 18 months to June 30, 1976. The directors expect the report will be published before the end of August.

They explain that due to the totally unexpected deterioration in trading in late November until early March, the cash position was

under "intolerable strain" and this, coupled with the withdrawal by banks of a substantial part of the company's credit lines, forced it to close all plants for two weeks to work off finished goods inventories.

This, while affording some respite from cash pressures, "seriously affected efficiency when operations were recommenced. Normal levels of efficiency were not regained until early May."

Inventories were sold at reduced prices and substantial stock losses were taken. The dyeing, bleaching and finishing unit had to be closed.

Terminal costs were "substantial and did not assist the increasingly difficult position in which the company was finding itself."

The company makes casual and protective wear, and fabric finishing facilities.

**Plastic Construct. ahead**

FIRST HALF pre-tax profit of Plastic Construct. improved from £133,058 to £178,963, and present indications are that the year's figure should exceed the £368,031 for the year to September 30, 1974, says the chairman, Mr. H. Aron.

Turnover for the six months advanced from £2.11m. to £2.65m. — steps taken to control the pressure of increasing costs resulted in margins being maintained.

The expansion programme is proceeding. The Midlands fabrication division in Birmingham is now fully operative in additional premises, and the new premises for the main manufacturing division and the additional London unit will be operative by the autumn.

As announced, the directors intend to declare an interim dividend of 1p net per share against 0.78p. Last year's total was 2.994p.

**CITY OFFICES**

First-half sales earnings per 25p share of City Offices improved from 0.75p to 0.85p and the interim dividend is lifted from 0.68p to 0.64p. The figures shown in yesterday's report were incorrect.

THE GOVERNMENT'S latest anti-inflation measures would lead to a temporary reduction in spending power, but it was not yet clear how they would affect demand for Beecham's products, Mr. G. Wilkins, the chairman, told the annual meeting.

While the company's consumer products business might be temporarily hurt by the new policy, "it is not unknown for periods of stringency to have little impact on the sort of things we produce, with the cutbacks in personal expenditure concentrated mainly on bigger items, such as consumer durables," he said.

In any case, Beecham's "international spread," with well over half the company's sales and three-quarters of the profit coming from outside the U.K., gave the group a "particularly strong" base from which to meet any adverse trends.

Mr. Wilkins noted that there were now signs that the world economic situation was improving at last, and even during the difficult period of the last year Beecham's overseas sales had risen by nearly 38 per cent. and overseas trading profit was up 27.5 per cent.

Price control by the U.K., which was still a very important market for Beecham and the centre of many of its activities, had "altered" with margins, Mr. Wilkins said.

The company's profitability had been seriously eroded by the controls, which had been "much more" than controls on wages and salaries, he said.

Mr. Wilkins added that the company's profitability had been seriously eroded by the controls, which had been "much more" than controls on wages and salaries, he said.

After the meeting, Mr. Wilkins said the trends of the last financial year had continued over the current trading period. Overseas business continued "buoyant" but on the home market there were still no signs of an upturn.

**Manchester Garages first half progress**

From sales ahead from £3.58m. to £4.16m, profit of Manchester Garages increased from £95,025 to £111,014.

Interest charges up from £18,440 to £23,521 for the half year to June 30, 1975. The interim dividend per 5p share is raised from 0.25p to 0.3p.

net. Total for 1974 was 0.53p and pre-tax profit a record £224,197.

Earlier this year the chairman, Mr. R. A. Stoddard, reported that the first three months showed a similar trading performance to 1974, although not up to budgeted profit objectives.

**B. & C. Shipping outlook**

THERE IS at present no improvement in the tanker and bulk carrier markets, Mr. Nicholas, chairman of British and Commonwealth Shipping, told the annual meeting. The company had already laid up two bulk

carriers and others were likely to follow "as this is cheaper than continuing to operate them."

The cargo liner trades were holding up well, he said, "but with surplus tonnage around the world we cannot disregard the possibility of intrusion from outside."

Russian ships, whose primary interest "seemed to be earning foreign exchange rather than a straightforward profit," were a major source of competition. The Trans Siberian railway was also a competitor in the movement of goods between Europe and the Far East.

During the year a dock strike at Southampton and disruption at Avonmouth had adversely affected the company and also dockers' earnings, Mr. Nicholas pointed out.

British Island Airways had improved its position and was not expected to make a loss this year. In the company's hospital and leisure interests, which lost money last year, there had been a considerable improvement but so far not enough to prevent them making a further loss this year.

A group forecast for the coming year was difficult to make, the chairman said, but "we must expect a downturn in profits from the level of some £16m. before tax achieved in 1974, that is the figure against the exceptional credit of £25m."

The directors, however, expected to be able to increase the dividend by the statutory 10 per cent. and "large opportunities" were "great opportunities" ahead as soon as the economic climate improved.

**Meeting Page 6**

**Rothschild Investment policy**

Rothschild Investment Trust is continuing to search for opportunities in "special situations" of the kind taken up successfully in the past, says the chairman, Mr. J. Rothschild.

The company, he adds, has enough liquid resources to respond to opportunities, but the directors feel they should be very sure of themselves before committing funds.

They intend to mobilise the funds to holders' best advantage, and express continued hesitation in the immediate prospects for U.K. equities (unless and until the country can solve its basic economic problems).

In falling markets it was thought prudent to re-examine the unquoted investments and an overall reduction in value of some £1.5m. was made in December.

In addition a reduction of £1.8m. was made in respect of property investments for the purpose of calculating net asset values, mainly relating to the investment in the Manhattan Center, which is the problem property in the portfolio of RIT European Properties.

Although the directors consider the means exist to carry out a vigorous letting programme in the Center without calling on group resources in 1975, they now consider it prudent to increase the reduction relative to European property to £2.5m.

However, given the recovery in share values in the U.K., approximately £1m. has been restored to the valuation of the unquoted investments, thereby leaving the aggregate contribution of unquoted investments and property to group net asset values marginally higher than at the time of the December interim figures.

As reported on July 15, with net asset details, revenue before tax increased from £2.52m. to £3.02m. in the year to March 31, 1975, and the net dividend is 8.50p (8.2p) per share.

Meeting, New Court, St. Swinburn Lane, E.C.4, September 22 at 11.30 a.m.

**Good orders at Tobenoil**

Mr. Thomas Kenny, chairman of Tobenoil, said at the annual meeting in London that the order position remained satisfactory and in particular, our export situation seems to be still further improved.

The group manufactures automatic packaging, wrapping, bottling and labelling machinery.

Powell Duffryn had made a April 30, 1975, and pre-tax profits pared with £244,000, for the half reasonable start to the year, Sir Alec Ogilvie, the chairman, told £232,818.

After a heavier tax of £10,300, the year's net balance (£212,518) was lower than that in the previous first quarter. This was not unexpected, as April's share of 12.92p against 8.51p.

The dividend is 2.75p net against 2.585p, the gross equivalent rate representing the increase. Dividend cost is £18,313 (£18,098).

Most divisions, including shipping, had had a fair start to the current year, considering the general economic background. The group's wide spread of activities—shipping, engineering, fuel distribution, oil and chemical storage, timber and industrial services—was a source of strength, particularly in difficult times, he said.

The engineering division, in particular was making good progress, especially in overseas markets.

Referring to the French subsidiary, SOFEC, the chairman stated: "We have not yet received the first audited accounts, but our confidence, based on my latest information, that the provisions we made in the accounts against past losses will be adequate. Until we are in possession of the audited accounts it would be improper for me to comment further, particularly as legal proceedings may be involved."

In the meantime, firm action is being taken: four of the previous senior management have been dismissed, and we now have a new team whose main task, of course, is to restore the company as soon as possible to profitability. It is anticipated that by the completion of the next financial year the business should be operating normally."

**Midway fall at Wiggins Teape**

THE WHOLLY-OWNED paper-making subsidiary of British-American Tobacco Company, Wiggins Teape, announces a decline in pre-tax profit from £13.5m. to £9.7m. for the 26 weeks to March 28, 1975.

There is no interim dividend. Last year's pre-tax profit for the year to September 28, 1974, was £25.70m.

Tax for the first half, including an overseas charge down from £2.52m. to £2.45m., was £5.83m., against £8.7m. but the directors say this is disproportionate as a result of losses incurred overseas which are not capable of immediate tax relief.

Turnover for the first half of 1975 was £11.1m. against £10.7m. in 1974. Trading profit was £1.7m. against £1.5m. Investment income was £0.7m. against £0.6m. Profit before tax was £0.7m. against £0.6m. Tax was £0.8m. against £0.7m. Profit after tax was £0.1m. against £0.2m. Dividend was £0.1m. against £0.2m. Dividend cover was 1.0 times against 1.0 times.

**International Stores**

Turnover of International Stores expanded from £210,000m. to £230,000m. but pre-tax profit fell from £2.47m. to £2.05m. after interest of £0.74m. (£0.67m.).

Tax absorbed £0.48m. (£1.6m.) leaving a net profit of £0.43m. against £1.07m. The company is a wholly owned subsidiary of British-American Tobacco.

**Somportex upturn**

Turnover of the Somportex Holdings group of confectionery importers, etc., expanded from £1.6m. to £2.25m. for the year to

March 31, 1975, and pre-tax profits pared with £244,000, for the half reasonable start to the year, Sir Alec Ogilvie, the chairman, told £232,818.

After a heavier tax of £10,300, the year's net balance (£212,518) was lower than that in the previous first quarter. This was not unexpected, as April's share of 12.92p against 8.51p.

The dividend is 2.75p net against 2.585p, the gross equivalent rate representing the increase. Dividend cost is £18,313 (£18,098).

Most divisions, including shipping, had had a fair start to the current year, considering the general economic background. The group's wide spread of activities—shipping, engineering, fuel distribution, oil and chemical storage, timber and industrial services—was a source of strength, particularly in difficult times, he said.

The engineering division, in particular was making good progress, especially in overseas markets.

Referring to the French subsidiary, SOFEC, the chairman stated: "We have not yet received the first audited accounts, but our confidence, based on my latest information, that the provisions we made in the accounts against past losses will be adequate. Until we are in possession of the audited accounts it would be improper for me to comment further, particularly as legal proceedings may be involved."

In the meantime, firm action is being taken: four of the previous senior management have been dismissed, and we now have a new team whose main task, of course, is to restore the company as soon as possible to profitability. It is anticipated that by the completion of the next financial year the business should be operating normally."

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**RECENT ISSUES**

**EQUITIES**

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**"RIGHTS" OFFERS**

## Flexibility and technical superiority keep Pysu growing.

From the Report and Accounts for the year ended March 31, 1975, and the statement by the Chairman, Mr. C. S. J. Sumner:

\* Group sales £5,684,000 (1974: £4,753,000).

\* Pre-tax profits £491,000 (£489,000).

\* Production capacity at Woburn Sands expanded.

\* Joint venture in Europe shows every prospect of rapid growth.

\* Thanks are due to all employees for their co-operation and understanding, which give the group a valuable flexibility denied to many larger companies.

**PLYSU LIMITED**

For a copy of the Report and Accounts, please write to The Secretary, Pysu Ltd., 120 Station Road, Woburn Sands, Milton Keynes, Buckinghamshire, MK17 8SE.

**The New Toyota Crown 2600 Saloon.**

£4491\*

Only by reaching for perfection can the highest standards be achieved

For the owner driver or the chauffeured executive, the new Toyota Crown Super Saloon provides a standard of comfort that is rarely equalled even by the world's most expensive cars.

As well as the usual Toyota refinements, the Crown has full air conditioning and purification. Electric windows. Electro-magnetic door locks that engage automatically at speeds in excess of 8 mph. A self-seeking VHF stereo radio with twin concealed aerials. An auto-reverse cassette player.

Rear passengers also have full control of their own separate air conditioning and radio volume and station selection.

Yet with this, one of the most comprehensive equipment specifications available on a production saloon at any price, Toyota have managed to keep the cost of the Crown in proportion to the times and running costs in line with current thinking.

A standard which others must surely follow. If they can.

**TOYOTA**

Toyota (G.B.) Limited. A Pride and Clarke Company.

Toyota (G.B.) Ltd., 320 Purley Way, Croydon, Surrey. CRO 1XJ. Tel. 01-681 1921.

Meeting, Charing Cross Hotel, W.C. September 3, noon.

Chairman's statement Page 16

**Plastic Construct. ahead**

FIRST HALF pre-tax profit of Plastic Construct. improved from £133,058 to £178,963, and present indications are that the year's figure should exceed the £368,031 for the year to September 30, 1974, says the chairman, Mr. H. Aron.

Turnover for the six months advanced from £2.11m. to £2.65m. — steps taken to control the pressure of increasing costs resulted in margins being maintained.

The expansion programme is proceeding. The Midlands fabrication division in Birmingham is now fully operative in additional premises, and the new premises for the main manufacturing division and the additional London unit will be operative by the autumn.

As announced, the directors intend to declare an interim dividend of 1p net per share against 0.78p. Last year's total was 2.994p.

**CITY OFFICES**

First-half sales earnings per 25p share of City Offices improved from 0.75p to 0.85p and the interim dividend is lifted from 0.68p to 0.64p. The figures shown in yesterday's report were incorrect.

**Manchester Garages first half progress**

From sales ahead from £3.58m. to £4.16m, profit of Manchester Garages increased from £95,025 to £111,014.

Interest charges up from £18,440 to £23,521 for the half year to June 30, 1975. The interim dividend per 5p share is raised from 0.25p to 0.3p.

**THE BRADWALL (F.M.S.) RUBBER ESTATE LIMITED**

At the sixty-fifth Annual General Meeting of the Company held yesterday Mr. T. B. Barlow, the Chairman said:—

The results for 1974 for Bradwall can be briefly summarised: a record trading profit of £484,854 which included £220,782 being interest and dividends.

Stafford Estate 612 acres planted was sold for £332,970 net which probably will entail a payment of £37,715 capital gains tax. Once again our balance sheet total has increased from £2,946,908 to £4,858,945 and of this the estates and fixed assets before selling Stafford stand at £2,728,908 and current assets account for £2,129,987. Your Board expect to be able to put forward a scheme in the autumn at an Extraordinary General Meeting whereby the capital will be increased and the Company's activities may be widened.

However, given the recovery in share values in the U.K., approximately £1m. has been restored to the valuation of the unquoted investments, thereby leaving the aggregate contribution of unquoted investments and property to group net asset values marginally higher than at the time of the December interim figures.

As reported on July 15, with net asset details, revenue before tax increased from £2.52m. to £3.02m. in the year to March 31, 1975, and the net dividend is 8.50p (8.2p) per share.

Meeting, New Court, St. Swinburn Lane, E.C.4, September 22 at 11.30 a.m.

**Rothschild Investment policy**

Rothschild Investment Trust is continuing to search for opportunities in "special situations" of the kind taken up successfully in the past, says the chairman, Mr. J. Rothschild.

The company, he adds, has enough liquid resources to respond to opportunities, but the directors feel they should be very sure of themselves before committing funds.

They intend to mobilise the funds to holders' best advantage, and express continued hesitation in the immediate prospects for U.K. equities (unless and until the country can solve its basic economic problems).

In falling markets it was thought prudent to re-examine the unquoted investments and an overall reduction in value of some £1.5m. was made in December.

In addition a reduction of £1.8m. was made in respect of property investments for the purpose of calculating net asset values, mainly relating to the investment in the Manhattan Center, which is the problem property in the portfolio of RIT European Properties.

Although the directors consider the means exist to carry out a vigorous letting programme in the Center without calling on group resources in 1975, they now consider it prudent to increase the reduction relative to European property to £2.5m.

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**Good orders at Tobenoil**

Mr. Thomas Kenny, chairman of Tobenoil, said at the annual meeting in London that the order position remained satisfactory and in particular, our export situation seems to be still further improved.

The group manufactures automatic packaging, wrapping, bottling and labelling machinery.

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## INTERNATIONAL COMPANY NEWS + EURO MARKETS

## Drastic measures needed at Enka-Glanzstoff

BY FRISO ENDT

ROTTERDAM, July 30.

ENKA GLANZSTOFF, the leading Dutch fibres producer, will suffer "considerable losses" between 1975 and 1980, in particular in the yarns and fibres sector, "if no drastic measures and adjustment are made".

This is the result of a market research report carried out by the American consultancy McKinsey and Co., for Enka-Glanzstoff, Enka (49,000 persons) is the fibres and yarns division of Akzo, the Dutch-based multinational chemical, food and fibres manufacturer. McKinsey's report was published last night by the Enka-Glanzstoff board of management. It says that "only drastic reorganisation, and other measures, will be able to save Enka from heavy losses in the next five years". Akzo's board of management added in a separate statement that Enka's serious losses between 1975 and 1980 will "damage Akzo's possibilities as a whole for the future".

Enka's losses over 1975 are expected to be Fl.400m. Commenting on these first conclusions the Dutch trade unions said that they felt the original starting point of McKinsey's report was too restricted, and that its report "speaks only about the future of the fibres industry in Western Europe". Enka's Board said that it feels that short-term solutions will have to be found for the three products (basically its heavy looms makers), namely rayon-nylon-textile yarns and rayon fibres production.

These three are mainly produced in Holland by factories in the cities of Emmen, Ede and Arnhem. To begin with, reorganisation will be necessary in the Arnhem plants. Enka's Board considers that production capacity will have to be adjusted to decreasing demand.

McKinsey's report does not say how big, where and when adjustments will have to be made. Lay-offs are—according to first comments from the trade unions—"unacceptable". Yesterday

the Board informed the trade unions and the Enka workers' council about the outcome of the report. The trade unions also said that their first conclusions and comments are not final. They will take a definite standpoint after consultations with trade unions in other European countries.

McKinsey says in its report that Enka Glanzstoff suffers from overcapacity in a decreasing market. This results in further overcapacity and bigger losses. McKinsey based its conclusions on today's market situation, and future possibilities until 1980, for 12 Enka products.

Potential differs for a number of these products. Heavy synthetic yarns for industrial purposes will not suffer from special problems and should continue to earn profits on a base of growing demand. But this is not enough to make up for the loss-making areas.

However, Xerox is now prohibited from offering package rates to large customers leading combinations of different models. At the same time the company must now allow competitors to license up to three of its patents without demanding to turn any cross-licensing rights. Furthermore Xerox is not allowed to cross-license until four years after the competitor's product has hit the market.

Under the package pricing restriction will probably give competitors an entry into Xerox markets that it was able to dominate by its sheer size, the value of the patent decision is questionable. The size of investment needed to produce and market a copier is so large that mere possession of a patent may not be of great value.

## FTC accepts Xerox settlement

By Jay Palmer

NEW YORK, July 30. THE LONG STANDING battle between the Federal Trade Commission and Xerox is today being settled. The FTC officially notified the large copier company that it accepted the revised settlement of its original 1973 anti-trust complaint.

This final decision comes three months after the FTC threw open for public comment the proposed terms of its revised settlement.

That particular scheme in mid-April had followed an FTC decision to throw out a tentative settlement of the charge reached in late 1974.

Under the terms of the new final settlement, Xerox has been allowed to retain its stake in its two principal overseas subsidiaries, Rank-Xerox and Fuji-Xerox. In this sense the decision represents a major victory for the company since, over the last few months, an increasing number of its competitors had pleaded with the FTC to mandate divestiture.

## Prices Tribunal approves BHP steel price increases

BY KENNETH RANDALL

CANBERRA, July 30.

THE PRICES Justification Tribunal today approved increases of 10.5 per cent in Broken Hill Proprietary Company's steel prices after what was widely regarded as a test case hearing—based on restoration of profitability, rather than the normal grounds of increased production costs.

The tribunal is likely to receive a flood of similar applications following today's apparent precedent.

BHP's case was a landmark in the two-year history of the Tribunal and the first in which the Government has intervened. It argued an essentially neutral point of view, stressing both the need to contain inflation and the importance of profitability to maintain investment.

BHP, however, declared flatly that it would suspend investment programmes totalling \$A1.2bn, unless it received approval for the full 14 per cent rise it sought. There was no comment from the company after today's decision by the tribunal.

It seems likely, nevertheless, that the investment programme will go ahead, at least in modified form. The company's latest accounts indicate that a 10.5 per cent price rise would achieve the level of profitability—about 10 per cent—it regarded as essential.

BHP has just announced a profit on its overall operations of \$A109m. But in steel-making, new blast furnace and wharf where it has about two-thirds of

its \$A1.5bn assets, there was a loss of \$A5m. In the previous financial year, steel making returned a \$A8.5m profit.

The main feature of the company's proposed new investment programme is a \$A600m expansion of its Newcastle (New South Wales) steel works, including a sinter plant, new blast furnace and wharf facilities.

AMERICAN PETROFINA's net income for the second quarter of 1975 amounted to \$6.6m (90 cents per share), compared to \$4.6m (43 cents per share) for the first quarter, and \$19.24m (\$1.80 per share) for the second quarter of 1974. The improvement in earnings during the second quarter of 1975, compared with the first quarter, was attributable to greater production of crude oil and natural gas, to higher prices of refined products and to some recovery in demand for products of the petrochemical and plastics division, the company reports.

Net income in the first half of 1975 was \$14.2m (\$1.25 per share) compared with \$25.7m (\$2.03 per share) in the same period of 1974. Gross revenue was \$459.77m during the first six months of 1975, and \$441.1m for the same period in 1974.

Compared with the first half of 1974, earnings were hurt by a substantially lower level of sales of plastics and petrochemicals, particularly export sales of petrochemicals, by losses on tanker operations, and by increased costs of raw materials and operations which were not fully recovered in the prices of refined products.

Increases in charges for depreciation, depletion and amortisation attributable in large part to the company's policy of writing off undeveloped offshore leases over a five-year period, also served to reduce net income during the first half.

## Earnings recover at American Petrofina

By David Curry

BRUSSELS, July 30. AMERICAN PETROFINA's net income for the second quarter of 1975 amounted to \$6.6m (90 cents per share), compared to \$4.6m (43 cents per share) for the first quarter, and \$19.24m (\$1.80 per share) for the second quarter of 1974. The improvement in earnings during the second quarter of 1975, compared with the first quarter, was attributable to greater production of crude oil and natural gas, to higher prices of refined products and to some recovery in demand for products of the petrochemical and plastics division, the company reports.

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## Hitachi profit forecast

TOKYO, July 30.

HITACHI SAID it maintains its earlier forecast that profits and sales in the six months to September 30 will be about unchanged from those of the previous half, despite an expected loss in its heavy machinery division because it is still producing machinery ordered on a fixed-price basis before the oil crisis. The division accounts for about a quarter of total sales.

Hitachi said the heavy machinery division is suffering because it is still producing machinery ordered on a fixed-price basis before the oil crisis. These fixed-price contracts will not be fully cleared until the middle of next year.

The company made no detailed forecast for the expected

machinery division loss, which would be the first since the war, but said the deficit could be heavy. The division accounts for about a quarter of total sales.

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## INI raises \$110m. Euroloan

BY MARY CAMPBELL

INSTITUTO NACIONAL de Industria (INI) signed a loan agreement in London today under which it can borrow \$110m for six years on the Euro-market. The loan carries a spread of 10 per cent. Lead manager is Chemical Bank.

The loan agreement contains provisions which allow INI to refinance half of the original principal for a further four years beyond the six-year final maturity on approximately the same terms. The refinancing commitment has been made by the co-managers, Westdeutsche Landesbank Girozentrale.

Spain has been, and continues to be, a heavy borrower of medium-term Euro-market money. The current account deficit was over \$2bn in the first nine months of last year.

Latest loan reported in the market is \$86m, for Autopistas de Enlase. This loan is reportedly in two equal tranches of \$43m. One tranche, which offers a spread of 11 per cent, is believed to be guaranteed by the Spanish state, while the other, offering a 15 per cent spread, is under bank guarantee. Lead manager is reportedly Chase Manhattan.

Four subsidiaries of Continen-

tal Can in Canada, the Netherlands, Germany and the U.S. have arranged loans totalling \$47.6m. Maturities range from seven to 15 years and interest rates, which are fixed, from 9 to 10 per cent.

The Kingdom of Denmark is to float a Fl.75m. issue on the Dutch capital market. Maturity will be 15 years and coupon 9 per cent. Lead manager will be Algemene Bank of Nederland.

The Almunisse DM100m. issue has been priced at 99 1/2 per cent on a coupon of 8 1/2 per cent. This will be the last issue on the D-mark foreign bond market for at least a month.

## Exports boost Berliet sales

BY ROBERT MAUTHNER

PARIS, July 30.

BERLIET, the former Citroën lorry subsidiary which has been taken over by Renault, has announced a net turnover of Fr.1.79bn. (about £180m.) for the first six months of this year compared with sales of Fr.1.53bn. during the same period of last year.

As much as 55 per cent. of the figure was accounted for by exports, M. Vincent Grob, a Berliet director said. But the delicate state of the domestic market was underlined by the fact that exports had to rise by some 70 per cent. over their 1974 level to produce a 19 per cent. increase in global turnover by value.

M. Grob added that any measures taken by the authorities to pump new life into the economy, planned for the autumn, would have no practical effect on the lorry sector, depressed since the last quarter of 1974, for at least six months

and probably not for nine months.

The latest figures published by the French Automobile Manufacturers Association show that overall French truck production fell by nearly 27 per cent. during the first half of 1975, compared with the same period of the previous year.

Berliet itself announced a loss of just over Fr.4m. (£400,000) for 1974 earlier this year, compared with a profit of more than Fr.5m. in 1973. The loss brought the company's accumulated deficit to Fr.21.6m. It is hoped that the company's chronic financial difficulties will eventually be solved by the Renault take-over. This will give France a single large truck company grouping Saïre and Berliet, expected to produce more than 70,000 vehicles annually.

paré d'un profit de plus de 5 millions en 1973. La perte a entraîné un déficit cumulé de 21,6 millions. On espère que les difficultés financières chroniques de la société seront éventuellement résolues par la prise de contrôle de Renault. Cela donnera à la France une seule grande entreprise de camionnage regroupant Saïre et Berliet, qui devraient produire annuellement plus de 70 000 véhicules.

The group said it had also set up another subsidiary in the Fiji Islands with a capital of Fr. 1m. to carry out oil exploration in that country.

Elf signed an off-shore oil exploration agreement with

## Elf forms Egyptian unit

BY ROBERT MAUTHNER

PARIS, July 30.

THE FRENCH state-controlled Elf Aquitaine oil group has announced the formation of an Egyptian subsidiary—Elf Aquitaine Egypt—with a capital of Fr. 1m. (about £100,000) — to handle exploration operations in that country.

Elf signed an off-shore oil exploration agreement with

Egypt in June covering an area of some 2,200 square kilometres off the Mediterranean north of Alexandria.

The group said it had also set up another subsidiary in the Fiji Islands with a capital of Fr. 1m. to carry out oil exploration in that country.

Elf signed an off-shore oil exploration agreement with

## Strikes push El Al into the red

By L. Daniel

TEL AVIV, July 30. EL AL Israel Airlines incurred only a small loss during 1974-75—a year in which most international airlines logged large deficits—was disclosed by the company here.

El Al's deficit came to \$30,000, which was roughly the size of the profit in the preceding year. The company could have been again in the black, and thus maintained its 15-year profit record had it not been for strikes by ground crews which cost it close to \$800,000 in the course of the year.

The airline also reports a 31 per cent. rise in gross income to \$70m, a 2.8 per cent. decline in passengers carried to 735,772 but a 23.3 per cent. increase in freight to 38,300 tons and a significant two per cent. increase in occupancy to 66.3 per cent. During a year when tourism declined by 8 per cent. El Al managed to increase its share of total passengers arriving or leaving the country to 51.9 per cent. with the remaining 48.1 per cent. divided among 17 other foreign airlines.

The outlook for the current financial year is confused. El Al is one of the companies most affected by the reform of the Israeli tax system now coming into force under which all fringe benefits, allowances and payment of expenses will be counted as taxable income (though at tax rates lower than those applied hitherto). El Al has been paying its foreign staff foreign currency allowances—for tax purposes—at the exchange rates in force in 1952, when the Israeli pound was at parity with sterling (against £1.53 to a pound sterling).

This means El Al president Mordechai Ben Arie warned, that the airline will either have to get a premium (as do other exporters) on their foreign earnings, or will have to raise its prices.

## Saarland steel recession

BY GUY HAWTHIN

FRANKFURT, July 30.

SAARLAND steelworks are expecting a cutback in raw steel production of more than 30 per cent. this year and Saarbergwerke, West Germany's second largest coal concern, is awaiting a similar fall in demand for coal and coke.

Dr. Erwin Anderheggen, Saar-Berghaus' chief executive, has reported that the recession in the steel industry has already led to a build-up of coal stocks. However, the concern has no plans to trim coking coal production, which is good news for the Saarland, net of the most depressed areas in the Federal Republic.

Saar-Berghaus is building up coking coal stocks as it believes that there will be a boom in steel demand next year. Citing the example of the 1974 steel boom, Dr. Anderheggen stated that it was not possible to meet such an increase in demand for coking coal without stockpiling.

The 1974 steel boom, the by-products of which were higher coal prices and increased demand for energy, provided a favourable backdrop for Saar-Berghaus. While it did not make an overall profit, losses were drastically reduced compared with the previous year's performance. The momentum was such that the "positive

results" were carried forward into the opening months of new year, despite the heavy downturn in steel demand.

Turnover increased by 35.5 per cent. from the previous year's DM2.42bn. to DM3.28bn. This increase, however, reflected the substantial increase in prices during the course of the year rather than a pure rise in volume output. Turnover in 1975 is expected to stagnate.

A breakdown of sales shows that 19 per cent. of 1974's turnover was derived from coal production, 27 per cent. from the power and coking production sector, 9 per cent. from technical products and 45 per cent. from trading operations.

The year's deficit of DM11.9m. was well below the DM38m. loss recorded for the previous year. Of the group loss, some DM5.1m. stemmed from the operations of the parent company which the previous year had lost a total of DM58m.

During the course of the year there was a particularly heavy increase in personnel costs. While the number of employees increased by only 2.6 per cent., expenditure on the staff side soared by 30 per cent.

Wage rises accounted for only a portion of this increase, which was in large part a result of new

statutory increases in staff pension reserves. However, the rise in personnel expenditure last year means in the coal sector, staff costs represented some 48 per cent. of turnover.

At the end of 1974, the concern's payroll totalled 28,826 employees compared with 28,562 the year before. But personnel costs rose from 1973's DM39m. to over DM1.03bn.

Investment by the group increased substantially last year and it is planned to rise still further. Capital investment, which in 1973 totalled DM107m., reached DM136m. in 1974. Depreciation, however, declined from 1973's DM104m. to DM82m.

The coal sector, which employs some 15,900 workers—more than half of the group's labour force—produced some 8.83m. tonnes of bituminous coal in 1974. This is a rise to 9m. tonnes this year and some 9.4m. tonnes by 1978.

To reach these figures an investment of DM265m. will be required, according to the group's five year plan. Saar-Berghaus states that while in the coal mining sector the average investment over the past few years has worked out at around DM1.40 per tonne mined, investments from 1975 to 1978 would increase to about DM6.10 per tonne.

## Recovery at Avis

Financial Times Reporter

MR. WINSTON V. MORROW Jr., chairman and president of Avis Rent a Car, reports that preliminary figures for the half-year showed a rise in sales to \$188.2m. from \$175.5m., an increase of 5.2 per cent.

Profits after tax for the half-year more than doubled to \$3.18m. Earnings per share were 42 cents (32 cents in January-June 1974), a weighted figure which takes account of additional shares issued this year.

Mr. Morrow said U.S. revenues increased in all departments. In Europe, sales were higher but profits were held back by price controls and currency revaluations which entailed a loss of \$278,000, comparing with a gain of \$298,000 in the same period of last year. Vehicle sales improved to 24.94m., or double the 1974 level of \$2.42m. There was an appreciable saving in interest charges—down to \$5.84m. from \$6.87m.

Nevertheless, the Board had decided to vary its policy of declaring quarterly dividends, and to follow a course of conserving cash resources. Mr. Morrow stated.

Avis did not pay a quarterly dividend for the first quarter of the current financial year and has decided to continue this policy for the time being. In this way company earnings can be retained to improve the equity base and, Mr. Morrow feels, should allow continued growth and the establishment of a more flexible borrowing programme. An Avis spokesman in London said that the final dividend payment for the year is unlikely to be affected by this change in policy on quarterly dividends.

## Roussel-Uclaf optimistic

BY ROBERT MAUTHNER

PARIS, July 30.

ROUSSEL-UCCLAF, the leading French pharmaceuticals group taken over last year by Hoechst of West Germany, appears to be weathering the current economic storm rather better than most companies, according to its Managing Director, M. Henri Monod.

Although M. Monod warned in a statement that the faster rise in costs than prices would result in a slow-down of the company's development and a reduction of its profits during the current

year, he nevertheless admitted that Roussel Uclaf was in a good position to overcome the serious difficulties facing private companies at the present time.

During the first quarter of this year, sales rose by about 13 per cent., if the contribution made by the recently acquired Roche pharmaceutical company is taken into consideration, and this progress is expected to be maintained unless there is an unexpected deterioration of the economic situation.

Production would continue at a satisfactory level and the company's overall results in 1975 could be comparable to those of 1974-75, M. Monod said. According to current estimates the volume of investments would even increase and the research budget would rise by the same amount as in 1974.

Earlier this month, Roussel-Uclaf announced an increase in net consolidated profits of 10 per cent. — from Fr.57m. in 1973 to Fr.96m. last year.

## Grupo Velazquez expansion

BY ROGER MATTHEWS

MADRID, July 30.

GRUPO VELAZQUEZ, in which Slater Walker Securities is the largest single shareholder, has become what is estimated to be Spain's single biggest independently controlled portfolio manager following the acquisition of four other investment concerns.

The other companies involved in the deal are Lisa Financiera, the International Basic Economy Corporation (IBEC) and Euroholding SA, which in turn controlled four principal financial service companies, Copernicus, Hispanabanc, Serfinge and Transfina. The deal is understood to be worth in the region of \$45m.

Hispanabanc manages the top Cretico investment trust, while Copernicus controls 13 closed-end funds Grupo Velazquez a much

broader base from which to operate and should provide a degree of objectivity not always available to other financial managers. The vast bulk of portfolio management in Spain is handled either through the banks or their subsidiary companies. At the same time the banks have their own substantial industrial and corporate interests which at times has led to doubts on whether their investment policies follow entirely disinterested lines.

The key man behind the deal is Mr. Charles Burdett, who personally, and through his family, owns an estimated 10 per cent. of Grupo Velazquez. Apart from Slater Walker, Burdett and Slater Walker, other shareholding in the new group is thought to reach double figures.

The acquisition, described as "Bibi" which makes table-top computers and Elscint, which produces electronic medical equipment. Hitherto, only investment companies and suppliers of know-how have been in partnership with the original founders.

This will be the first issue in two years on the Tel Aviv Stock Exchange by a company not yet quoted here, and also the first issue by a science-based company (most of them are partnerships) with foreign companies, or government loans if they export or produce import substitutes).

## Elron intends to go public

By L. Daniel

TEL AVIV, July 30. ELRON, one of Israel's leading electronics producers which was founded over a decade ago by a group of Haifa Technion professors, intends to go public.

Elron is now a holding company for a number of subsidiaries such as "Bibi" which makes table-top computers and Elscint, which produces electronic medical equipment. Hitherto, only investment companies and suppliers of know-how have been in partnership with the original founders.

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## GUYANA GLASS FACTORIES

By Our Own Correspondent

GUYANA is to set up two glass factories in another 18 months in a bid to capture the whole Caribbean market for glass products.

A U.S. concern, General Glass Equipment, of New Jersey, is to supply \$14m. of equipment for the two factories, 25 miles outside Georgetown in the sand-rich Linden Highway area.

The plants will produce 20 tons of glass every 24 hours from Guyana's silica-rich sands as well as glass wares such as drinking glasses and ash trays in addition to sheet and pressed glass.

## Company Results

## Bethlehem Steel earnings dip

Bethlehem Steel second quarter earnings fell to \$1.4 per share from \$1.6 in the first quarter, on revenues of \$1.283bn. (\$1.242bn.).

The company said its prospects for the third quarter are not favourable, but gave no figures. Continuing low demand and inventory reduction by customers and normal seasonal factors will depress steel shipments, which the company expects to improve in the fourth quarter and beyond.

Atlantic Richfield reports net income of \$70.32m. or \$1.23 a share, for the second quarter ended June 30—a decline of 30 per cent. compared with \$119.77m. or \$2.47 a share reported for the same period last year. Consolidated sales and other operating revenues rose four per cent. to \$1.785bn. in the quarter against \$1.765bn. last year. Return on average employed capital declined to 7.10 per cent. in the second quarter compared with 14.68 per cent. last year.

Mr. Robert O. Anderson, chairman, said results for the second quarter reflected a continuation of unfavourable conditions which prevailed in the first three

months of the year—depressed profit margins from foreign operations, the effect of detrimental federal tax changes effective in 1975, and continued absence of Congressional action in establishing a realistic national energy policy which recognises the capital requirements of the domestic petroleum industry.

Exxon has declared a dividend of \$1.25 per share. It said the latest dividend will bring payments for the first three quarters of 1975 to \$3.75 per share, compared with \$3.43 for the same period in 1974.

Sales and earnings of Warner-Lambert for the second quarter were the highest for any comparable periods. Sales were \$335.93m., an increase of 16 per cent. compared with \$289.94m. for the same period last year. Net earnings were \$41.33m., up 12 per cent. from \$37.06m. in 1974. Earnings per share were 32 cents, an increase of 11 per cent. compared with 27 cents per share in the second quarter of 1974.

## INCO THE INTERNATIONAL NICKEL COMPANY OF CANADA, LIMITED

The Directors of The International Nickel Company of Canada, Limited have announced that in the future any dividends payable on shares issued by the Company's Transfer Agent in London will be paid in U.S. dollars by cheques drawn in North America instead of by dividend warrants drawn in London payable in Pounds Sterling as in the past.

Also effective with the coming of business on August 1, 1975 The Royal Trust Company of Canada, at 51 Jermyn Street, London SW1Y 6NQ, England, has been appointed Transfer Agent for this Company's shares in London. Transfers of shares of the Company prior to that date should be sent to the present London Transfer Agent, Morgan Grenfell & Co. Limited.

If additional information is needed, please contact the undersigned c/o International Nickel Limited, Thame House, Millbank, London, SW1P 4QF, England.

D. C. McGavin Secretary

Weekly net asset value on July 28 1975

Tokyo Pacific Holdings N.V. U.S. \$ 29.93

Tokyo Pacific Holdings (Seaboard) N.V. U.S. \$ 21.80

Listed on the Amsterdam Stock Exchange

Information: Pierson Holding & Pierson N.V. Haringvliet 214 Amsterdam

## SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

TRAIGHTS	Bid	Offer	Bid	Offer	TRAIGHTS	Bid	Offer	
Amstar 8 1/2% 1986	98	100	Amstar 8 1/2% 1987	98	100	Amstar 8 1/2% 1988	98	100
Amstar 8 1/2% 1989	98	100	Amstar 8 1/2% 1990	98	100	Amstar 8 1/2% 1991	98	100
Amstar 8 1/2% 1992	98	100	Amstar 8 1/2% 1993	98	100	Amstar 8 1/2% 1994	98	100
Amstar 8 1/2% 1995	98	100	Amstar 8 1/2% 1996	98	100	Amstar 8 1/2% 1997	98	100
Amstar 8 1/2% 1998	98	100	Amstar 8 1/2% 1999	98	100	Amstar 8 1/2% 2000	98	100
Amstar 8 1/2% 2001	98	100	Amstar 8 1/2% 2002	98	100	Amstar 8 1/2% 2003	98	100
Amstar 8 1/2% 2004	98	100	Amstar 8 1/2% 2005	98	100	Amstar 8 1/2% 2006	98	100
Amstar 8 1/2% 2007	98	100	Amstar 8 1/2% 2008	98	100	Amstar 8 1/2% 2009	98	100
Amstar 8 1/2% 2010	98	100	Amstar 8 1/2% 2011	98	100	Amstar 8 1/2% 2012	98	100
Amstar 8 1/2% 2013	98	100	Amstar 8 1/2% 2014	98	100	Amstar 8 1/2% 2015	98	100
Amstar 8 1/2% 2016	98	100	Amstar 8 1/2% 2017	98	100	Amstar 8 1/2% 2018	98	100
Amstar 8 1/2% 2019	98	100	Amstar 8 1/2% 2020	98	100	Amstar 8 1/2% 2021	98	100
Amstar 8 1/2% 2022	98	100	Amstar 8 1/2% 2023	98	100	Amstar 8 1/2% 2024	98	100
Amstar 8 1/2% 2025	98	100	Amstar 8 1/2% 2026	98	100	Amstar 8 1/2% 2027	98	100
Amstar 8 1/2% 2028	98	100	Amstar 8 1/2% 2029	98	100	Amstar 8 1/2% 2030	98	100
Amstar 8 1/2% 2031	98	100	Amstar 8 1/2% 2032	98	100	Amstar 8 1/2% 2033	98	100
Amstar 8 1/2% 2034	98	100	Amstar 8 1/2% 2035	98	100	Amstar 8 1/2% 2036	98	100
Amstar 8 1/2% 2037	98	100	Amstar 8 1/2% 2038	98	100	Amstar 8 1/2% 2039	98	100
Amstar 8 1/2% 2040	98	100	Amstar 8 1/2% 2041	98	100	Amstar 8 1/2% 2042	98	100
Amstar 8 1/2% 2043	98	100	Amstar 8 1/2% 2044	98	100	Amstar 8 1/2% 2045	98	100
Amstar 8 1/2% 2046	98	100	Amstar 8 1/2% 2047	98	100	Amstar 8 1/2% 2048	98	100
Amstar 8 1/2% 2049	98	100	Amstar 8 1/2% 2050	98	100	Amstar 8 1/2		

# BOOKS

## Satirical Spinster

BY C. P. SNOW

Jane Austen by Douglas Bush. Macmillan, £5.95, 205 pages.

Sanditon by Jane Austen and another Lady. Peter Davies, £3.50, 329 pages.

Mr. Douglas Bush, who is a Harvard academic, has all the virtues of a high-class American scholar, one or two of the weaknesses, and an unpretentious certainty of his own. He has written a splendid book on Keats. Now, more deliberately unpretentious than ever, he has produced what with excessive modesty he describes as a "Reader's Guide" to Jane Austen.

On the surface, the book—which is an addition to the Masters of World Literature series, edited by Louis Kronenberger—reads rather as he describes it. There is a short chapter on Jane Austen's England, another on her life and family, followed by careful descriptions of each of the novels, accurate, scrupulous, witty in a self-suppressing fashion.

It takes a certain amount of attention to the subject to recognise that Mr. Bush is acquainting us with a remarkable amount of what has been written about Jane Austen during the past 30 years. It takes even more attention to recognise that he is also telling us what, in the least assertive way imaginable, he thinks of each of the novels and of the currents, swirls, misjudgments of attribution, base-shots, of contemporary critical opinion. It is beautifully done, and a pleasant, well-mannered addition to Jane Austen's Bicentennial year.

Once or twice, as with other American scholars, his manners are a shade too good. He has a tendency to mention sheafs of opinions, favourable, neutral, unfavourable, on a novel, as if it might be *Mansfield Park*, from herds of Austen relations down to critics, well-known or utterly obscure, of the present day.

Apparently on the principle of one man, one vote, and as though all opinions were equally valuable or equally negligible. It

may conceivably be that Mr. Bush, who has a vein of subdued sarcasm, in secret believes that those last two words are true. However, the appearance of literary egalitarianism does strike one as somewhat odd.

His own views on the novels, which are never obtruded, are nevertheless quite clear. For Mr. Bush, *Northanger Abbey* is a gift of juvenile work. So, more developed, is *Sense and Sensibility*. *Pride and Prejudice* is a marvellous display of a young woman's wit and hope. (I should like to put in a word of mild dissent. He seems to me to underrate *Pride and Prejudice* a good deal, as sophisticated readers are always tempted to do with a writer's most popular and famous work of the under-estimation by Dickensian experts of *Pickwick Papers*, or by Tolkienians of *Barchester Towers*.)

Mr. Bush does not share the modern worship of *Mansfield Park*. To him, as to some of the rest of us, that book shows the cracks of strain all the way through. It was written too much from the conscience and the will, and not from the writer's whole nature. With *Emma* and *Persuasion*, Mr. Bush feels in the presence of major masterpieces. That set of judgments is surprisingly close to those of a distinguished Russian scholar, V. I. Yashveva, in a recent (Moscow 1974) substantial volume on the 19th Century English novel. Jane Austen has never been widely read in Russia, nothing like so widely as Dickens, Scott, Thackeray, and, in a lesser extent, George Eliot. Professor Yashveva remarks that the translation of *Pride and Prejudice* by Samuel Marshak (whose versions of Robert Burns in Russia are an extraordinary feat) doesn't catch the sharp irony of the original. Language as understated as Jane Austen's is very hard to translate with full resonance, and that may have been a barrier to her.

Professor Yashveva reads the books as Mr. Bush does, and reads them almost as highly. Not quite as highly, yes, they are masterpieces; but, even in Jane

Austen's later and mature years the "irresistible fascination" of irony imposed a restriction. Probably, if she had lived longer, she wouldn't have achieved, or wanted to achieve, the full fluidity or liberty of the greatest novelists.

There is something in that. Jane Austen was a good and very courageous woman, and a writer of acute penetration. She turned the literature of her predecessors, such as Fanny Burney, into art of dazzling originality. In her letters, one can see why those closest to her loved her. She had the classical attributes both as woman and novelist, and there aren't many classical novelists in English.

Nevertheless, it is a bit fretting to be lectured about her moral genius. Moral genius is synonymous with censoriousness, which in fact usually excludes the former; and there is rather too much censoriousness in Jane Austen's novels, though less in her letters. She believed in a stable hierarchical society. Fair enough. To maintain a stable hierarchical society, girls must marry within their own class, or even their own sub-class. Fair enough again. From the aspect of this world's wisdom, this is sensible, and Jane Austen was very sensible. But she does take the dice to the benefit of her own prototypes (Elizabeth Bennet, Anne Elliot and the rest) and against the humbler and sower girls. There is no intrinsic reason why in her intrinsic nature, as opposed to her birth, Harriet Smith should be unworthy of some not specially illuminated middle-class gentleman.

With stoical bravery and spirit, Jane Austen, already mortally ill with Addison's disease, began a new novel. Rather oddly, the ambience of the book was to be the development of a holiday resort, which seems to have been Sidmouth transferred to the Sussex coast. This was the passion and project of one of those not specially illuminated middle-class gentlemen living on a private income, whose actual finances are a puzzling feature throughout the Austen corpus.



Jane Austen, born 200 years ago: a portrait by Zoffany

In the eleventh chapter of *Sanditon*, which Jane Austen got down on paper, she managed to introduce this man's brother, obviously intended to be a lively hero, suitable for a good clear-headed, strong-willed Austen heroine. After the first chapter, Jane Austen became too weak to continue, and we shall never know how the middle of the book was to be filled out, though we can guess the happy ending.

Now "A Lady" has completed

the book, with considerable skill as a pastiche. "A Lady" is clearly an experienced writer with a sharp talent of her own. It is difficult to emulate Jane Austen's economy, and one doubts whether the book, if she had lived, would have been quite so long. But this attempt, another Bicentennial tribute, is well worth reading by Austen lovers, even if a few will get cross and fail to preserve their idol's moderation.

The book on National Parks is aimed rather at the walker than the motorist, some cautionary photographs in car pools, a circular map with the principal features marked on the map and numerically identified alongside. The profuse illustrations accompany a lively and knowledgeable text which I might possibly be able to fault, although I doubt if I were such a traveller and investigator of detail as Mr. Kog, which I am not.

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## Free Love

BY JOHN LEHMANN

The Tamarisk Tree by Dora Russell. Elek/Pemberton, £5.95, 304 pages.

Dora Russell sub-titles her book: "My quest for liberty and love." It was a pretty tough quest.

Some reviews may have given

the impression that the book contains nothing but lurid accounts of amorous goings-on in privileged places. In fact, almost the reverse is true, though many of the author's causes were pursued during her stormy relationship with Bertrand Russell, whose second wife she became early on in her career.

Born Dora Black, eight decades ago, in a reasonably well-to-do middle-class family who lived in the London suburbs and gave her a happy childhood, she showed herself brighter than the average very early on. A junior scholarship at Sutton High School was followed by a First in Little Go and a scholarship at Girton. At the end of her student years, she was awarded a Fellowship, and a career as a high-minded, radical, bluestocking academic seemed to offer her its austere but not unrewarding

fun, his appearance of helplessness, his need of someone maternal to look after him, "What part of the trap, for an unwary, loving partner?" she writes, with the sorrow, if not bitterness, of hindsight.

One might almost conclude that the trap was specially prepared by the Spirit of Irony for two believers in free love. The moment she became pregnant, Russell, though overjoyed, began to worry about marriage. Not yet an Earl, but soon to become one, shades of his ancestor, he demanded that the child was a boy, he must have a male heir. Therefore he must divorce his first wife and marry Dora before the birth.

Reluctantly she agreed to a course which she now maintains was "little short of disaster" for her. The disaster was to lie in the fact that after the birth of their two children, John and Kate, both began to have extramarital affairs and Mrs. Russell (she would never call herself Countess) became pregnant by one of her lovers.

Panic of the ghostly ancestor: What would happen if it turned out to be a male child and John died young? A divorce must be arranged at once. So began a long, painful struggle which involved a Deed of Separation, a squatted action in the High Court, and the Russell children being made Wards in Chancery. It turned their love into loathing and hostility and no reconciliation occurred before Russell's death. Bertie, who wanted and I nothing whatever except a modest allowance, which came to an end on his death.

During their years of haplessness they made an expedition to the Communist China where they were enthusiastically received and Bertie nearly died, nursed after Soviet Communism (Dora ardently pro, though she later had serious reservations) after separate visits, took an expedition to the Labour politics, opened a "progressive" school together, and campaigned on many a platform and in many a pamphlet against the Christian religion and anti-feminine prejudice and in favour of World Sexual Reform and Birth Control.

The story of all these earnest activities is recorded at length, occupying the greater part of the book, in a prose that has few graces and is pretty hard going at times. For good measure, greatest of chess players, he sees however, the author adds a number of poems she wrote at various stages in her career. I ahead of all the other Grand would not personally choose any Masters. But it was not this of them for an anthology, but at quality of the famous philosopher least they are evidence of a sopher and author of *Principia Mathematica* that attracted Dora near the high-minded intellectual, but his wit, his love of final zeal.



Dora Russell in 1928

prospect. She made friends in Bloomsbury and in the Labour movement, and used to declare openly her disapproval of conventional, legal marriage and her belief in free love. Russell happened to be listening on one of these occasions, and took her at her word. This was the turning point in her life.

"Russell has the quickest mind of anyone I have ever known," wrote Leonard Woolf, occupying the greater part of the book, in a prose that has few graces and is pretty hard going at times. For good measure, greatest of chess players, he sees however, the author adds a number of poems she wrote at various stages in her career. I ahead of all the other Grand would not personally choose any Masters. But it was not this of them for an anthology, but at quality of the famous philosopher least they are evidence of a sopher and author of *Principia Mathematica* that attracted Dora near the high-minded intellectual, but his wit, his love of final zeal.

## U.K. ECONOMIC INDICATORS

General	Unit	1975				1974			
		June	May	Apr.	June	May	Apr.	June	May
Unemployment	'000s	141.3	144.1	132.4	144.3	142.5	141.3	142.5	141.3
Current acct.	£bn.	6.198	6.491	7.132	6.711	6.920	6.711	6.920	6.711
Man'd prod.	1970=100	188.8	187.7	182.5	181.1	184.9	181.1	184.9	181.1
Basic materials	1970=100	227.5	225.8	222.9	213.9	214.0	213.9	214.0	213.9
Terms of trade	1970=100	82.2	80.8	79.8	73.3	73.8	73.3	73.8	73.3
Bank advances	£bn.	13.646	12.182	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Retail prices	Jan. 74=100	137.1	134.5	129.1	108.7	107.0	108.7	107.0	107.0
Wage rates	July 72=100	199.1	174.9	168.9	136.0	131.2	136.0	131.2	131.2

Trade and	Unit	1975				1974			
		June	May	Apr.	June	May	Apr.	June	May
Imports f.o.b.	£bn.	1.609	1.606	1.692	1.332	1.351	1.332	1.351	1.332
Exports f.o.b.	£bn.	1.446	1.386	1.491	1.341	1.206	1.341	1.206	1.341
Visible trade balance	£bn.	-0.169	-0.018	-0.199	-0.491	-0.455	-0.491	-0.455	-0.455
Comm. vehicles	'000s	38.3	31.8	33.2	41.2	33.1	41.2	33.1	33.1
Cars	'000s	91	70	101	165.9	137.8	165.9	137.8	137.8
TV sets	'000s	152	153	813	239	260	239	260	260
Radio gramophones	'000s	381	294	285	455	483	455	483	483
Steel (weekly average)	'000 tonnes	342.5	336.3	426.3	480.5	436.2	480.5	436.2	436.2

Bricks*	Unit	1975				1974			
		May	Apr.	Jan.	May	Apr.	Jan.	May	Apr.
Cement (weekly average)	'000 tonnes	365	327	324	375	338.6	327	324	375
Houses emp'd.	'000s	25.0	25.3	23.6	21.3	18.4	25.3	23.6	21.3
Man-made fibres	'000s	33.4	48.13	45.17	55.90	58.77	48.13	45.17	55.90
Furniture**	1970=100	149	162	152	136	156	162	152	136

Hosiery*	Unit	1975				1974			
		Apr.	Mar.	Apr.	Apr.	Apr.	Apr.	Apr.	Apr.
Petroleum†	m. tonnes	88	84	85.8	101	98	85.8	101	98
Raw cotton (metric tonnes)	'000s	1.87	1.96	1.94	2.63	2.23	1.96	1.94	2.63
Engng. (orders on hand)	'000s	116	119	121	133	136.3	119	121	133
Elec. co-ops†	'000s	79.1	73.2	77.8	94.8	75.2	73.2	77.8	94.8
Washg. machns.†	'000s	118.2	91.8	94.9	78.3	76.5	91.8	94.9	78.3

Machine tools†	Unit	1975				1974			
		Mar.	Feb.	Jan.	Mar.	Jan.	Mar.	Jan.	Mar.
Raw woolst	m. kilos	27.5	26.1	25.2	22.2	18.5	26.1	25.2	22.2
		8.3	9.1	9.1	11.1	9.3	9.1	9.1	11.1

Consumer spending	Unit	1975				1974			
		2nd qtr.	1st qtr.	to date	2nd qtr.	Year	Year	Year	Year
	1970 values	8.950	9.059	10.009	8.782	35.759	8.950	9.059	10.009
Motor trade turnover	1967=100	243	269	186	207	192	269	186	207
Bldg. and civil engineering	£bn.	2.623	2.667	10.220	2.372	8.984	2.667	10.220	2.372

\* Production. † Deliveries. ‡ Net sales. § Consumption. ¶ Great Britain, not seasonally adjusted. \*\* Excluding car radios. †† Deliveries. U.K. made and imported steel. ‡‡ From May 1975, onwards new basis of calculation refers to advances to U.K. public and private sector. Historical figures on new basis not available. ††† Including cooker grillers toasters.

## FICTION

### In the Bronx

BY MARTIN SEYMOUR-SMITH

The Wanderers by Richard Price. Chatto and Windus, £3.25, 233 pages.

The Goddaughter by Harriet Crowley. Weidenfeld and Nicolson, £2.95, 184 pages.

Skirmish by Douglas Lockhart. Peter Owen, £3.75, 182 pages.

I Sent a Letter to My Love by Bernice Rubens. W. H. Allen, £3.50, 197 pages.

The Legend of Ararat by Yashar Kemal. Translated from the Turkish by Thilda Keisel. Collins/Harvill, £3.00, 159 pages.

Three Mint Lollipops by Robert Sabatier. Translated from the French by Patsy Southgate and Joan Wright Smith. Elek, £3.50, 282 pages.

Christopher Hemm by C. H. Nixon. Corgi Press, £2.50, 239 pages.

The Wanderers, which reaches us here after an enormous success in the United States, is as bleak and scarring a picture of one side of New York life as Hubert Selby's *Last Exit to Brooklyn*. It has rightly been compared to Selby—and has been praised by him.

It deals with the lives of an adolescent Bronx gang with piercing exactitude and imaginative zeal. Its comedy in no way lessens its impact, rather adds to it, since it throws the squalid truth into even sharper outline. The Wanderers are an Italian gang, who share their territory with similar Negro, Irish and Chinese groups. There has not been a accurate or as savage a portrait of adolescent squalor and squalor as *Last Exit to Brooklyn* (set, of course, in Chicago). The shadow in which the same fights for its (pointless) survival is the end of their youth:



Harriet Crowley: dream affair

they are soon to leave school and beyond this their prospects are grim.

Richard Price's style is terse: it has to be, for his subject is not believable (though it is true). His skill with dialogue is great. This is a depressing book; yet it is more than that. It denies the author pays unobtrusive homage to the vitality of his characters, and shows many of them as finding a way into life. An outstanding novel which deserves all the plaudits it has received.

The Goddaughter. Harriet Crowley's first novel (but she has written an excellent study of European universities and revolts called *A Degree of Defence*), is about a young art-student, Renata, whose dream is to have the most beautiful love-affair of all time. She gets caught between a vicious millionaire and a punctilious, eminent civil servant who is more than twice her age—the latter is her godfather.

This novel ends on a falsely sentimental note, which is a pity because for most of the way it is

intelligent, funny (especially on the subject of young "revolutionaries") and psychologically perceptive.

Douglas Lockhart's *Skirmish* comes to us recommended by Brian W. Aldis (who says it is "slightly" reminds him of Ouspensky—which Ouspensky can mean?). Lawrence Durrell ("a fascinating yoga parable") and Colin Wilson ("fascinating and worthwhile").

But Brian Aldis is right: this is an unusual book. The first of a trilogy, it is essentially a fictional exploration of territory familiar to readers of Gurdieff or Carlos Castaneda. It is written very lucidly, and avoids pretentiousness—a rare feat in such a work.

Bernice Rubens (who won the Booker Prize for 1970) has written her best novel yet in *I Sent a Letter to My Love*, a study of a woman faced by the prospect of old age and despair. This is, in one sense, a "success" story, for Miss Rubens' happiness, though she pays a high price for it. This is moving and comic, and the Welsh setting is handled excellently.

Yashar Kemal (now under persecution by the Turkish government) is most famous for *Shadows on the Wall*, a powerful story of a love affair shown at its best; it combines folkloric elements with modern psychology in just the right proportions. There are many pleasant drawings by Abidin Dino.

Robert Sabatier's *Three Mint Lollipops* continues the semi-autobiographical saga of a Montmartre childhood begun in *The Match Box*. It has the same honesty and brilliance.

Corgi Press have done a great service in publishing C. H. Nixon's *Christopher Hemm*, which must surely now be recognised for the masterpiece it is.

BY MARGARET HUGHES

The Warburgs by David Farrer. Michael Joseph, £5.00, 235 pages.

The Warburgs, unlike their banking colleagues the Rothschilds, have made little impact on the general public. David Farrer hopes to change this by lifting the veil of anonymity which surrounds the personalities within the Warburg dynasty.

This family took its name from the German Westphalia town of Warburg. Its first ancestor Simon von Cassel adopted Warburg as his surname on moving there in the sixteenth century. At this period Jews in Germany were not allowed surnames and could identify themselves only by the names of the towns in which they were allowed to live.

There Simon Warburg prospered as a money changer—a business which his descendants continued when they later moved to Danish Altona and nearly Hamburg. From these modest beginnings grew the world famous banking firm of M. M. Warburg. David Farrer's book concentrates on the

# ACCOUNTANCY APPOINTMENTS

## Leasing Executive

We require an experienced Executive to join a small team of leasing professionals in expanding and developing its position in the leasing market.

His responsibilities will include the acquisition of new business both in the UK domestic market and the export field.

The successful applicant will probably be a qualified accountant and be between the ages of 28 and 35. He must have an understanding of a range of different leasing techniques and preferably have experience of joint ventures and consortia.

Commencing salary will be in the range of £6,000 pa, depending on age and experience, plus good fringe benefits including subsidised mortgage assistance.

Applications with full career details, which will be treated in the strictest confidence, should be sent to—

TCH Macafee, Staff Manager,  
Brandts Limited, 36 Fenchurch Street,  
London EC3P 3AS, or telephone 01-626 6599  
for further particulars.

**Brandts**  
The Merchant Bankers

## INSOLVENCY

We are looking for a man experienced in the administration and routine matters of insolvency, liquidation and receivership, to join a team of specialists in our insolvency department. Due to the current and planned future expansion of the department the successful applicant will have to demonstrate the ability to take initiative, work without supervision and control and advise staff.

A professional qualification is not as important as experience in this field and age is not particularly relevant.

The salary envisaged depends largely upon the experience of the individual but will be substantial. We would like to think that the successful applicant will view the position as a long term prospect.

For further details write, giving brief particulars, or telephone David Gwynne-James, Arthur Young McClelland Moores & Co., Moor House, London Wall, London EC2Y 5HP.  
Telephone: 01-628 4070.

**AYM**

## Financial Controller Accountant

WELL ESTABLISHED  
INTERNATIONAL  
COMMODITY HOUSE

- Wishes to engage a professionally qualified ACCOUNTANT to be in complete charge of Accounts, age 30-40 years.
- Should be able to deal with all aspects of Accounts Department, its work and systems co-ordinating with Trading activities.
- Foreign exchange dealings and administrative ability definite advantages.
- Initiative, drive and leadership qualities are important as the successful applicant will be expected to join the Board in the near future. For this no capital investment is required.
- Salary negotiable.
- Confidential applications in writing giving full details of qualifications and experience, with references, should be sent to Financial Times, Box E6199, 10, Cannon Street, EC4P 4BY.

## CORPORATE TAXATION MANAGER

A leading unit-linked life assurance company, part of one of the world's largest international groups, requires a Corporate Taxation Manager who will be responsible for all aspects of corporate taxation matters in the U.K. and overseas.

The position requires at least 4-5 years' tax experience, preferably in a life assurance company, and a good accounting background. Relevant experience and background is more important than qualification and age, but it is likely that the successful candidate will be professionally qualified and it is unlikely that anyone below 30 will yet have gained sufficient experience for the position.

The head office is to move from London to Dorset within the next 2 years and if this necessitates moving home, generous relocation assistance will be provided.

Brief but comprehensive details of career and salary to date, which will be treated in confidence, should be sent to:

The Executive Selection Division - MF466

Coopers & Lybrand Associates Ltd.,  
Management Consultants,  
Shelley House, Mable St., London, EC2V 7DQ

ACCOUNTANCY  
APPOINTMENTS  
APPEAR EVERY  
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column centimetre

## A unique opportunity for a CHIEF ACCOUNTANT

Trident General is about to move its administration to Gloucester, where Trident Life has already established its own operation.

This means that a unique opportunity has arisen for a qualified accountant to join the management team of the Trident General Insurance Company.

We're looking for someone probably between 30-45, with experience in all aspects of financial accounting practice, preferably within the insurance industry.

He will assume full responsibility for the financial discipline of the Company and will work as a member of a closely integrated management team, reporting at board level on the financial performance of the Company.

If you think you would like to join us, we're offering an excellent salary plus good fringe benefits, including a subsidised mortgage scheme and contributory pension arrangements. Also, if necessary, we'll help with relocation expenses.

Initial applications together with curriculum vitae should be sent in strict confidence to:-



Gordon Scott,  
Managing Director,  
The Trident General Insurance  
Company Limited,  
19 Hanover Square,  
London W1.

## Investment Administration

Opportunities now exist for two people to join the administration staff of Schlesinger Investment Management Services Limited, the rapidly expanding institutional fund management company within the international Schlesinger Organisation as:-

### Investment Accountant

The applicant, who need not necessarily be qualified, will be expected to maintain complete investment accounting records for insurance companies, pension and private client funds and prepare the necessary monthly papers for submission to the Board.

### Contracts Clerk

The applicant will be expected to record and control the preparation and issue of contract notes for share transactions and advise banks and brokers of settlement details.

Both applicants will have suitable and responsible experience most probably gained in the investment department of a City institution or stockbroking firm and will be fully conversant with all aspects of Stock Exchange procedures both in the U.K. and overseas. Fully competitive salaries with benefits, which include a contributory pension scheme, will be paid to the successful candidates and prospects for advancement are excellent. Applications, which should include a career and salary history, will be treated in strictest confidence and should be addressed to:-

A.J.A. Gray, A.C.A.,  
Finance Director,  
Schlesinger Investment Management Services Limited,  
18 Hanover Square,  
London W1A 1DU.

**Schlesingers**

## SHIP MANAGEMENT ACCOUNTANT

CITY TO £6,000

The shipping division of a multi-million pound international organisation seeks a qualified accountant with probably 2-3 years post qualifying experience. Aged 25-30 the applicant should be able to communicate diplomatically at all levels from ship's crews to Managing Directors and have an understanding of systems.

Apart from the control and recruitment of support staff, this totally non-routine job will involve the development, implementation and control of fleet costs amounting to around £15m.

Short term promotion prospects for the right calibre of man are good. A small amount of travel is envisaged during and after familiarisation period. For further details telephone or write us:

Mr. Cripps, 01-554 5352,

CRIPPS, SEARS AND ASSOCIATES,

2 Basil Street, London, SW3 1AA.



## Accountant/Company Secretary

required by progressive firm of Estate Agents and Surveyors operating throughout Worcestershire and South Birmingham. We are looking for a man with considerable organisational ability to take complete charge of the administration of this large practice to include the overall supervision of a fully mechanised accountancy system. The successful applicant will be involved in all major policy decisions. Chartered Accountant or Chartered Secretary preferred but formal training is not essential to a man of the right quality. Pleasant working conditions with a happy team in one of England's most attractive counties. Salary range £4,000-£6,000 p.a. plus fringe benefits.

Full details to:-  
Philip Amphlett F.R.I.C.S.,  
Banks & Silvers, The Tudor House,  
Bromsgrove, Worcs.

## ARE YOU INTERESTED IN INTERNATIONAL FINANCE?

A young Chartered Accountant is required as Assistant Financial Controller with a group of companies located in Victoria area concerned with the purchase and sale of crude oil and refined petroleum products amounting to some hundreds of millions of pounds sterling per annum, arising from various countries and involving a number of currencies. If you have the necessary financial ability and a flair for this type of accounting expertise please send full particulars of your business background to:

J. W. Cairns  
Tampinex Oil Products Ltd.  
13 Grosvenor Gardens, London SW1W 0BD

## DEPUTY CHIEF ACCOUNTANT c. £4,500

Here is a worthwhile opportunity for a lively young ACA or ACCA aged between 25 and 30 years who has recently qualified and is now seeking his first position of major responsibility. Our client is an international market leader in seismic data processing for the petroleum industry, located in modern offices in a pleasant country town in one of the most attractive parts of Kent and within easy reach of London.

The successful candidate will control the general accounting procedures for two companies including the preparation of monthly accounts and the supervision of staff. Salary is unlikely to be a problem for the right person and this position offers the prospects of an exciting career in a rapidly expanding industry.

For further information please telephone or write in complete confidence quoting ref: 507/FT.

**THE ARENS GROUP**  
378 City Road, London EC1V 1NA, England  
Telephone: 01-278 9476

## Old Established Stockbrokers

require

### Qualified or partly-qualified Accountant

to oversee whole accounting procedure, deal with currency accounts, Stock Exchange returns, etc. Must be willing to perform detailed work as well as supervise. Stock Exchange experience essential. Write Box A.5169, Financial Times, 10, Cannon Street, EC4P 4BY.

## CHIEF FINANCIAL OFFICER

Accountant required by insurance subsidiary of U.S. Company. Responsibilities include but not limited to preparation of management accounts, overseeing accounting department, data processing, government returns, taxation, investment analysis, pension fund supervision. Possible European expansion. A.C.A. essential and minimum of 3 years insurance company experience helpful. £5,500+ negotiable.

Please send in confidence to Box A.5105, Financial Times, 10, Cannon Street, EC4P 4BY.

## GENERAL APPOINTMENTS

CONTINUED FROM PAGE 7

## European MIS Manager

Chemical Bank is one of the world's leading international banks, and the sixth largest in the USA. We are completing the initial specification phase of a Management Information System for our European branches, and we require a manager to implement and manage the System over a three-year period. You will undertake primary responsibilities for:

- Seeing the System through automation.
- Working with all levels of management to maximise its use as an analytical tool and as a basis for decision-making.
- Evaluating, revising and expanding the System as necessary to ensure its responsiveness to and effectiveness in meeting management's information needs.

You will be based in London, as a member of our European Planning Group. Because of the broad scope encompassed by MIS, you may expect to move on to an extremely responsible line or management position after completing this assignment.

You will ideally have an accounting background, significant international banking experience, and exposure to MIS. You must have experience in working with senior management, effective written and oral skills, and be willing to travel. A fair understanding of automation techniques would be desirable.

We offer a very substantial starting salary and an attractive range of benefits which include low cost mortgage, profit sharing, BUPA and a non-contributory pension scheme. Please write fully in confidence, to:- Alan Bartlett, 10 Moorgate, London EC2R 6DD.

**CHEMICAL BANK**

## Orion Bank Credit Analyst

Orion Bank, a leading multinational investment bank owned by six of the world's major banks has vacancies for Credit Analysts.

The Bank provides a specialised training course in the sophisticated techniques of Credit Analysis and the practical experience on which, after two years, a career in Investment Banking and Corporate Finance can be developed.

Applicants should be between 22 and 28 years of age with a university degree. This should be followed either by a post graduate qualification in accountancy, law or business studies, or a minimum of 3 years practical experience in a relevant financial sector.

A well-developed intellect, a logical approach to problems coupled with an inquisitive nature, and an outward going personality and the ability to get on well with people are essential.

Salary according to experience. Non-contributory pension fund, house mortgage facilities.

Applications which will be treated in confidence should be accompanied by a full curriculum vitae and sent to:

The Personnel Director  
Orion Bank Limited, 1 London Wall, London EC2Y 5JX  
Tel: 01-600 6222

**ORION**

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- Wishes to engage a well experienced recognised TRADER.
- Who must be readily accepted by all major Consumers, Dealers and Brokers throughout the world.
- The successful applicant must also have initiative, drive and leadership qualities as he will be expected to join the Board in the near future. For this no capital investment is required.
- Salary negotiable.
- Confidential applications in writing giving full details of qualifications and experience, with references, should be sent to Box No. E6201, Financial Times, 10, Cannon Street, EC4P 4BY.

## Property Banking & Administration

A major City financial institution has vacancies in property banking, servicing multi-million pound portfolios well spread over leading residential builders and developers. The work, which is demanding and highly responsible, provides the necessary basis for a sound and challenging career.

Those appointed will join experienced teams of professional men engaged in exacting assignments. They will require skill in financial analysis, report writing and viability studies and should have the personal qualities necessary for direct dealing at a senior level. Experience of the UK property scene would be an advantage.

Applicants should be qualified ACA aged not less than 25, or bankers with lending or securities experience of similar minimum age and preferably staying for or qualified AIE.

An attractive salary will be paid together with a non-contributory pension and the prospect of assisted house-mortgage, and other benefits.

Please ring  
01-623 3020 extension 244 for an application form.

GENERAL APPOINTMENTS  
ALSO APPEAR TODAY  
ON PAGE 7

# Up 6 despite new inflationary fears \$ stronger

BY OUR WALL STREET CORRESPONDENT

NEW YORK July 30

THE RECENT downward movement was halted on Wall Street today and the market staged a rally, despite fears that recent Soviet purchases of U.S. grain may trigger a new inflationary spiral.

The Dow Jones Industrial Index recovered 6.3 points to 331.65 and the NYSE common index recovered 32 cents to 47.35, while the NASDAQ index recovered 1.12 points to 117.12.

Analysts said there was little in the news to account for the rally and that it seemed to spring from internal market dynamics following severe recent losses. Several analysts had considered the stock market "oversold."

General Motors was lifted 82¢ to \$31.10 on its higher second quarter profits, which were above estimates of industry analysts.

Chrysler was firm, despite a big loss for the June quarter. The chairman expects it to return to profitability in the fourth quarter of 1975.

Bethlehem Steel added \$1 to \$34 on higher six months' earnings despite reduced profits in the second quarter.

McDonald's also edged higher on improved quarterly results.

Investment dropped \$2.10 to \$81.10 on disappointing new business in its mobile home insurance subsidiary and establishing a provision for about \$18.5m of reserves estimated claims.

Lebanese Intl fell 50¢ to \$30.10 following its 5 percent and 13 percent stock dividends.

Northwest Energy jumped \$2.10 to \$28.10 on a gain in a wildcat Colorado well.

The American SE Market Value Index moved up 0.27 to 89.96, with advances outnumbering declines by 102 to 280. The estimate Peterson, the most active, shed \$1 to \$91 on 74,500 shares.

Goarhart-Owen rose \$1 to \$53.10 and Coachmen Industries gained \$1 to \$18.10.

Banks, Foods, Breweries, Commercials, Rubbers, Electricals, Chemicals and Stores were all easier.

Metallics held their ground, while Portfolios, Engineering, Motors and Oils were mixed.

Foreign stocks followed the general downward trend, with exception of Canadian shares.

U.S. stocks slightly higher in moderate trading.

In Steels, Arden rose Frs.95 to 4.150. Among firm Metals, Vieille Montagne advanced Frs. 230 to 4,480. Royal Dutch declined Frs.100 to 2,400. Among lower Dutch shares, Hoogovens were off Frs.18 to 790.

U.S. shares edged higher.

AMSTERDAM — Fractionally lower in stock trading.

Among International, Akzo lost Frs.1.20 to 10.10. Royal Dutch declined Frs.100 to 2,400. Among lower Dutch shares, Hoogovens were off Frs.18 to 790.

U.S. shares edged higher.

Fr.15 in firm Holdings. Electrical and Utility stocks were mostly higher. Interbank rose Frs.18 to 1,480.

Among International, South African Gold Mines declined. Vaal Reef dropped Frs.35 to 1,035. In lower German shares, Hoechst fell Frs.10 to 10.10. Peugeot declined Frs.100 to 2,400. Among lower Dutch shares, Hoogovens were off Frs.18 to 790.

U.S. shares edged higher.

ment with Bank Mees on Hope, VW rose DM7.40 to 14.90 and Daimler DM7.40 to 31.40. BMW shed DM1 to 23.7. Steels improved. Minings mostly hardened. Utilities were higher. Stores were mixed to lower, while Breweries gained a little ground.

Insurance, Transportation and Dutch Industrials generally closed weak.

Bond market losses averaged Frs.0.10 to Frs.0.20.

GERMANY — Predominantly higher.

Banks were generally up. Commerzbank rose DM2.00 to 21.60. Dresdner Bank DM2.10 to 24.70. Deutsche Bank DM2.30 to 32.80. In slightly higher Electricals, Siemens fell DM10.20 to 275.50 and AEG DM10.50 to 75. Chemicals were better. Bayer up DM10.20 to 116.70. Hoechst DM1 to 132.90 and BASF DM1.10 to 142.90. Metals were also higher.

Motors mostly gained ground. VW rose DM7.40 to 14.90 and Daimler DM7.40 to 31.40. BMW shed DM1 to 23.7. Steels improved. Minings mostly hardened. Utilities were higher. Stores were mixed to lower, while Breweries gained a little ground.

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After an easier start, the U.S. dollar edged further ahead in generally featureless foreign exchange markets yesterday, with the dollar's trade-weighted average depreciation against 14 units since the Washington Agreement, as calculated by Morgan Guaranty in New York on non rates improving to 3.07 per cent, its best level since February 8, 1974, and compared with the previous 3.16 per cent. The pound's depreciation on similar basis widened to 30.94 per cent against the previous close of 30.66 per cent. Sterling's trade-weighted average depreciation against ten currencies since the Washington Currency Agreement (as calculated by the Bank of England) stood at 17.81 per cent.

Gold sold \$1 on the previous close in a day of quiet trading. The price for domestic delivery ended at \$179.10 (1975-53) compared with the previous close of \$178.40 (1975-53).

passed at the close to 25.3 per cent compared with the previous 25.6 per cent, having stood at 25.8 per cent at noon and the early part of the day.

This reflected the strength of the dollar against sterling with the pound opening at \$2.1700, 2.1700, its lowest ever. Against other major currencies the pound remained steady on similar basis.

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Other Markets

Canada again mixed.

Canadian Stock Markets remained mixed in light trading yesterday.

The Industrial Share Index put on 0.48 to 189.94. Western Oils firmed 0.08 to 167.00 and Papers gained 1.28 to 174.50, but Gold and Metals gave 3.53 to 386.84. Base Metals shed 0.54 to 78.37. Utilities closed 0.06 to 130.50 and Banks dropped 0.05 to 27.60.

Newcastle Well Service rose \$1 to \$21, while Westcoast-Rose improved \$1 to \$181 on higher first half earnings.

PARIS — Lower under the impact of the Government's assessment of the worsening economic situation.

Indices

NEW YORK

DOW JONES AVERAGES

Close	High	Low	Open	Trade	Vol.
331.65	332.10	331.10	330.00	1,200,000	1,200,000
47.35	47.80	47.00	47.00	1,200,000	1,200,000
117.12	117.60	116.60	116.60	1,200,000	1,200,000

U.S. STOCK INDICES

STANDARD AND POORS

July 30	July 29	July 28	July 27	July 26
331.65	330.00	328.00	326.00	324.00
47.35	47.00	46.50	46.00	45.50
117.12	116.60	116.10	115.60	115.10

MELBOURNE YIELDS

July 30	July 29	July 28	July 27	July 26
10.10	10.00	9.90	9.80	9.70
10.20	10.10	10.00	9.90	9.80
10.30	10.20	10.10	10.00	9.90

SYDNEY ALL ORD. INDEX

July 30	July 29	July 28	July 27	July 26
359.21	358.10	357.00	356.00	355.00
358.10	357.00	356.00	355.00	354.00
357.00	356.00	355.00	354.00	353.00

TOKYO NEW SE INDEX

July 30	July 29	July 28	July 27	July 26
317.53	316.42	315.31	314.20	313.09
316.42	315.31	314.20	313.09	311.98
315.31	314.20	313.09	311.98	310.87

EURO CURRENCY INTEREST RATES

July 30	July 29	July 28	July 27	July 26
10.10	10.00	9.90	9.80	9.70
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10.30	10.20	10.10	10.00	9.90

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331.65	332.10	331.10	330.00	1,200,000	1,200,000
47.35	47.80	47.00	47.00	1,200,000	1,200,000
117.12	117.60	116.60	116.60	1,200,000	1,200,000

U.S. STOCK INDICES

STANDARD AND POORS

July 30	July 29	July 28	July 27	July 26
331.65	330.00	328.00	326.00	324.00
47.35	47.00	46.50	46.00	45.50
117.12	116.60	116.10	115.60	115.10

MELBOURNE YIELDS

July 30	July 29	July 28	July 27	July 26
10.10	10.00	9.90	9.80	9.70
10.20	10.10	10.00	9.90	9.80
10.30	10.20	10.10	10.00	9.90

SYDNEY ALL ORD. INDEX

July 30	July 29	July 28	July 27	July 26
359.21	358.10	357.00	356.00	355.00
358.10	357.00	356.00	355.00	354.00
357.00	356.00	355.00	354.00	353.00

TOKYO NEW SE INDEX

July 30	July 29	July 28	July 27	July 26
317.53	316.42	315.31	314.20	313.09
316.42	315.31	314.20	313.09	311.98
315.31	314.20	313.09	311.98	310.87

EURO CURRENCY INTEREST RATES

July 30	July 29	July 28	July 27	July 26
10.10	10.00	9.90	9.80	9.70
10.20	10.10	10.00	9.90	9.80
10.30	10.20	10.10	10.00	9.90

Other Markets

Canada again mixed.

Canadian Stock Markets remained mixed in light trading yesterday.

The Industrial Share Index put on 0.48 to 189.94. Western Oils firmed 0.08 to 167.00 and Papers gained 1.28 to 174.50, but Gold and Metals gave 3.53 to 386.84. Base Metals shed 0.54 to 78.37. Utilities closed 0.06 to 130.50 and Banks dropped 0.05 to 27.60.

Newcastle Well Service rose \$1 to \$21, while Westcoast-Rose improved \$1 to \$181 on higher first half earnings.

PARIS — Lower under the impact of the Government's assessment of the worsening economic situation.

Indices

NEW YORK

DOW JONES AVERAGES

Close	High	Low	Open	Trade	Vol.
331.65	332.10	331.10	330.00	1,200,000	1,200,000
47.35	47.80	47.00	47.00	1,200,000	1,200,000
117.12	117.60	116.60	116.60	1,200,000	1,200,000

U.S. STOCK INDICES

STANDARD AND POORS

July 30	July 29	July 28	July 27	July 26
331.65	330.00	328.00	326.00	324.00
47.35	47.00	46.50	46.00	45.50
117.12	116.60	116.10	115.60	115.10

MELBOURNE YIELDS

July 30	July 29	July 28	July 27	July 26
10.10	10.00	9.90	9.80	9.70
10.20	10.10	10.00	9.90	9.80
10.30	10.20	10.10	10.00	9.90



# STOCK EXCHANGE REPORT

## Quietly dull equities sensitive to adverse rumours

### Index 3.3 down at 288.5—Gilt-edged and Golds lower

Account Dealing Dates  
Option  
First Declara- Last Account  
Dealings Dealings Day  
July 14 July 24 July 23 Aug. 5  
July 28 Aug. 7 Aug. 8 Aug. 19  
Aug. 11 Aug. 20 Aug. 21 Sep. 2

New time "dealings" may take place from 12.30 p.m. on business days earlier.

Stock markets spent another dull session yesterday. The general lack of trade provided the sort of atmosphere in which the market was quick to breed. Therefore, with official markings of 4.397, below 5,000 for nine out of the last ten trading days and roughly half the average earlier in the year, it was not surprising that breaking figures, figured on the rumour of a new business day, led to a substantial loss in Australia made its mark on MEPC, which ended 4 off at 73p, after 71p, for a two-day loss of 12, and generally brought dullness to other property issues.

Other market depressants included the continuing call on the market for fresh money by way of "rights" and the board view of some chartered banks. In the event, selling was fairly light and an after-hours rally left many leaders a penny or so off the worst. The F.T. 100 share index closed 3.3 down at 288.5, after having been 5.1 lower at 2 p.m. The F.T. 100 share index declined 1.2 per cent, to 125.36, and fell led rises in F.T. quoted Industrials in the ratio of 3:1.

**Funds easier**

Gilt-edged encountered nervous selling, mainly on fears for sterling, and lower ranged to 10. The Government Securities Index reacted 0.41 to 104.42. Gold shares ended above the day's worst in sympathy with a late recovery in the dollar. The Gold Mines index, at 361.1, gave up 3.8 of the previous two-day rise of 20.8.

In the absence of any other trading influence, the market in British funds turned its attention to sterling which, being easier, adversely affected sentiment. A fair amount of stock came on offer in the early business and, although the volume lessened considerably later, attempts to rally lacked real substance and the close was only fractionally off the day's lowest. Long-dated issues were finally 1/2 lower, after 1 1/2, with the mediums generally 1 down. Shorter maturities were also 1/2 off after a relatively small trade. Corporations, however, staged a rally which extended to 1 1/2 places.

A small routine business in instrument currency brought only minor fluctuations in the premium which, after easing to 8 1/2 per cent, picked up to close a net 1/2 down at 8 1/2 per cent. Yesterday's S.E. conversion factor was 0.6473 (0.6480).

**Overseas Banks dull**

Foreign issues succumbed to the general dullness. Concern for the company's Nigerian interest in the Standard and Chartered 13 down at 44 1/2, while lower far-eastern advances prompted a fall of 1 1/2 to 19 1/2 in Hong Kong and Shanghai. Dealings were restored after only one day's suspension in Allgemeine Bank Nederland on the news with which the company and after opening at 5 1/4, the shares closed at 5 1/2. Very little interest was shown in the big four banks which continued to be cheaper. National Westminster fell 6 more to 12 1/2, while Barclays receded 3 to 24 1/2 in front of today's interim results. Merchant banks were included easier with Guinness Peak shedding 6 to 13 1/2.

Insurance cheapened throughout the list, mainly on lack of support. Commercial Union (Interim)

Normand Elect. recede

Electrical leaders continued to

Morgan Edwards featured funds

drift easier in slack trading, EMI losing 5 to 16p and Thorn Elect. 4 to 10p.

Among generally easier

Breweries, J. W. Cameron

cheapered another 3 to 11 1/2, but

Phillips' Lamp managed to batten

5 to 7 1/2. Secondary issues were

occasionally easier. Normand Elec-

trical found the proposed "rights"

offer hard to digest and receded

4 to 14p. Louis Newmark slipped

5 to 8p in a thin market. An

isolated firm spot was provided

by Ultra Electronics, which closed

2 1/2 better at 30 1/2p.

Leading Stores closed on a dull

note following narrow fluctua-

tions in quiet trading. Among

secondary issues, Albion eased 2

to 13p on the discouraging state-

ment which accompanied the

interim figures. Small selling

lowered L. D. and S. R. R. 1 1/2

to 18 1/2, while modest falls

marked against Currys, 5 1/2, and

Andros, 5 1/2. Among smaller

critical issues, Bolton Textile and

Ramar Textile both closed a

fraction easier at 9 1/2 and 5 1/2

respectively. Mail Orders also

had an easier bias and in Shoes,

Church reacted 3 to 50p.

Dull features in Engineering

included Davy International, 8

lower at 8 1/2, and Martonair, 8

down at 13 1/2; the latter were a

particularly sensitive market.

Reckitt and Wilcox gave up 4

at 5 1/2 and Hall Engineering lost

5 to 15 1/2, but other losses were

minimal. The offer for the shares

of the industrial 75p box, 42.85,

unchanged at 12 1/2, left Zinc

Alloy Improved up 1/2 to 9 1/2.

Senior Improver, 1 1/2, following

recommendation, but Edbro, 6 1/2,

S. W. Wood, 3 1/2, and Tobenol,

2 1/2, were all a penny cheaper

after news items. Leading issues

were badly varied at the close

apart from Hawker which gave up

4 at 23 1/2, after 24 1/2. Shipbuild-

ings eased in places, affected by

news of a new shipyard, and a

fractional rise in the lowest

1972.

After touching 24 1/2, ICI rallied

to close 3 cheaper on the day at

23 1/2.

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## FT SHARE INFORMATION SERVICE

**BRITISH FUNDS									
1978	High	Low	Stock	£	of	Yield			
			to Five			Per Cent			
97.5	97.5	97.5	Shorts (Lives up to 10 years)	97.5	100	10.00	10.00	10.00	10.00
97.5	97.5	97.5	Treasury 1978-1982	97.5	100	10.00	10.00	10.00	10.00
102.5	102.5	102.5	Treasury 1982-1985	102.5	100	10.00	10.00	10.00	10.00
102.5	102.5	102.5	Treasury 1985-1988	102.5	100	10.00	10.00	10.00	10.00
103.5	103.5	103.5	Treasury 1988-1991	103.5	100	10.00	10.00	10.00	10.00
103.5	103.5	103.5	Treasury 1991-1994	103.5	100	10.00	10.00	10.00	10.00
103.5	103.5	103.5	Treasury 1994-1997	103.5	100	10.00	10.00	10.00	10.00
103.5	103.5	103.5	Treasury 1997-2000	103.5	100	10.00	10.00	10.00	10.00
103.5	103.5	103.5	Treasury 2000-2003	103.5	100	10.00	10.00	10.00	10.00
103.5	103.5	103.5	Treasury 2003-2006	103.5	100	10.00	10.00	10.00	10.00
103.5	103.5	103.5	Treasury 2006-2009	103.5	100	10.00	10.00	10.00	10.00
103.5	103.5	103.5	Treasury 2009-2012	103.5	100	10.00	10.00	10.00	10.00
103.5	103.5	103.5	Treasury 2012-2015	103.5	100	10.00	10.00	10.00	10.00
103.5	103.5	103.5	Treasury 2015-2018	103.5	100	10.00	10.00	10.00	10.00
103.5	103.5	103.5	Treasury 2018-2021	103.5	100	10.00	10.00	10.00	10.00
103.5	103.5	103.5	Treasury 2021-2024	103.5	100	10.00	10.00	10.00	10.00
103.5	103.5	103.5	Treasury 2024-2027	103.5	100	10.00	10.00	10.00	10.00
103.5	103.5	103.5	Treasury 2027-2030	103.5	100	10.00	10.00	10.00	10.00
103.5	103.5	103.5	Treasury 2030-2033	103.5	100	10.00	10.00	10.00	10.00
103.5	103.5	103.5	Treasury 2033-2036	103.5	100	10.00	10.00	10.00	10.00
103.5	103.5	103.5	Treasury 2036-2039	103.5	100	10.00	10.00	10.00	10.00
103.5	103.5	103.5	Treasury 2039-2042	103.5	100	10.00	10.00	10.00	10.00
103.5	103.5	103.5	Treasury 2042-2045	103.5	100	10.00	10.00	10.00	10.00
103.5	103.5	103.5	Treasury 2045-2048	103.5	100	10.00	10.00	10.00	10.00
103.5	103.5	103.5	Treasury 2048-2051	103.5	100	10.00	10.00	10.00	10.00
103.5	103.5	103.5	Treasury 2051-2054	103.5	100	10.00	10.00	10.00	10.00
103.5	103.5	103.5	Treasury 2054-2057	103.5	100	10.00	10.00	10.00	10.00
103.5	103.5	103.5	Treasury 2057-2060	103.5	100	10.00	10.00	10.00	10.00
103.5	103.5	103.5	Treasury 2060-2063	103.5	100	10.00	10.00	10.00	10.00
103.5	103.5	103.5	Treasury 2063-2066	103.5	100	10.00	10.00	10.00	10.00
103.5	103.5	103.5	Treasury 2066-2069	103.5	100	10.00	10.00	10.00	10.00
103.5	103.5	103.5	Treasury 2069-2072	103.5	100	10.00	10.00	10.00	10.00
103.5	103.5	103.5	Treasury 2072-2075	103.5	100	10.00	10.00	10.00	10.00
Five to Fifteen Years									
79.5	69.5	69.5	Treasury 1978-1981	79.5	74	4.72	9.82		
79.5	69.5	69.5	Treasury 1981-1984	79.5	83	4.84	9.82		
104.5	104.5	104.5	Treasury 1984-1987	104.5	104	12.21	12.21		
78.5	78.5	78.5	Funding Note 1982-1985	78.5	74.5	7.42	10.26		
78.5	78.5	78.5	Treasury Note 1985-1988	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 1988-1991	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 1991-1994	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 1994-1997	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 1997-2000	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2000-2003	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2003-2006	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2006-2009	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2009-2012	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2012-2015	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2015-2018	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2018-2021	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2021-2024	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2024-2027	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2027-2030	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2030-2033	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2033-2036	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2036-2039	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2039-2042	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2042-2045	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2045-2048	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2048-2051	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2051-2054	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2054-2057	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2057-2060	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2060-2063	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2063-2066	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2066-2069	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2069-2072	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2072-2075	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2075-2078	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2078-2081	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2081-2084	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2084-2087	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2087-2090	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2090-2093	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2093-2096	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2096-2099	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2099-2102	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2102-2105	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2105-2108	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2108-2111	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2111-2114	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2114-2117	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2117-2120	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2120-2123	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2123-2126	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2126-2129	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2129-2132	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2132-2135	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2135-2138	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2138-2141	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2141-2144	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2144-2147	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2147-2150	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2150-2153	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2153-2156	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2156-2159	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2159-2162	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2162-2165	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2165-2168	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2168-2171	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2171-2174	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2174-2177	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2177-2180	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2180-2183	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2183-2186	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2186-2189	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2189-2192	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2192-2195	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2195-2198	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2198-2201	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2201-2204	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2204-2207	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2207-2210	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2210-2213	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2213-2216	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2216-2219	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2219-2222	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2222-2225	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2225-2228	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2228-2231	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2231-2234	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2234-2237	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2237-2240	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2240-2243	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2243-2246	78.5	76.5	7.58	10.26		
78.5	78.5	78.5	Treasury Note 2246-2249	78.5	76.5	7.58	10.26		
78.5	78.5	78.5</							

[illegible]

# RE INFORM

## BUILDING INDUSTRY—Continued

Lot	Stock	Price	Chg	Mo	Yr	Div	Yld	Vol	High
19	Standards (Hdgs.)	27 1/2		1.9	2.9	10.0	3.8	10	22 1/2
20	Standard Oil	34 1/2		3.6	4.0	10.0	3.8	10	22 1/2
21	Marble	76 1/2	-2	2.6	4.8	5.3	7.5	24	68 1/2
22	Marley	68 1/2		2.8	4.6	5.3	7.5	24	68 1/2
23	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
24	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
25	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
26	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
27	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
28	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
29	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
30	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
31	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
32	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
33	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
34	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
35	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
36	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
37	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
38	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
39	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
40	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
41	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
42	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
43	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
44	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
45	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
46	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
47	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
48	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
49	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
50	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
51	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
52	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
53	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
54	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
55	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
56	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
57	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
58	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
59	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
60	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
61	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
62	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
63	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
64	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
65	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
66	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
67	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
68	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
69	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
70	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
71	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
72	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
73	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
74	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
75	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
76	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
77	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
78	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
79	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
80	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
81	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
82	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
83	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
84	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
85	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
86	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
87	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
88	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
89	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
90	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
91	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
92	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
93	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
94	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
95	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
96	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
97	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
98	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
99	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2
100	Marble	76 1/2		2.6	4.8	5.3	7.5	24	68 1/2

## CHEMICALS, PLASTICS

101	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
102	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
103	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
104	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
105	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
106	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
107	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
108	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
109	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
110	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
111	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
112	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
113	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
114	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
115	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
116	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
117	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
118	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
119	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
120	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
121	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
122	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
123	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
124	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
125	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
126	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
127	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
128	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
129	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
130	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
131	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
132	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
133	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
134	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
135	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
136	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
137	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
138	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
139	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
140	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
141	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
142	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
143	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
144	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
145	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
146	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
147	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
148	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
149	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
150	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
151	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
152	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
153	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
154	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
155	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
156	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
157	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
158	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
159	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
160	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
161	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	45 1/2
162	Acetylene	51 1/2		3.1	3.3	4.3	4.8	120	

ATION SERV

LAPERY AND STORES—Continued

Law	Stock	Price	Chg	Mo	Yr	Div	PER	High	Low
1	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
2	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
3	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
4	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
5	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
6	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
7	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
8	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
9	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
10	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
11	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
12	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
13	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
14	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
15	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
16	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
17	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
18	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
19	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
20	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
21	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
22	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
23	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
24	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
25	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
26	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
27	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
28	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
29	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
30	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
31	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
32	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
33	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
34	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
35	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
36	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
37	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
38	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
39	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
40	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
41	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
42	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
43	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
44	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
45	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
46	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
47	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
48	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
49	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
50	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
51	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41
52	Union G. A. S.	45	—	2.17	1.84	1.74	4.1	49	41

ELECTRICAL AND RADIO

1	A.B. Electronic	32	14	1.34	1.74	4.1	49	41	41
2	Acme Radio	32	14	1.34	1.74	4.1	49	41	41
3	Acme Radio	32	14	1.34	1.74	4.1	49	41	41
4	Acme Radio	32	14	1.34	1.74	4.1	49	41	41
5	Acme Radio	32	14	1.34	1.74	4.1	49	41	41
6	Acme Radio	32	14	1.34	1.74	4.1	49	41	41
7	Acme Radio	32	14	1.34	1.74	4.1	49	41	41
8	Acme Radio	32	14	1.34	1.74	4.1	49	41	41
9	Acme Radio	32	14	1.34	1.74	4.1	49	41	41
10	Acme Radio	32	14	1.34	1.74	4.1	49	41	41
11	Acme Radio	32	14	1.34	1.74	4.1	49	41	41
12	Acme Radio	32	14	1.34	1.74	4.1	49	41	41
13	Acme Radio	32	14	1.34	1.74	4.1	49	41	41
14	Acme Radio	32	14	1.34	1.74	4.1	49	41	41
15	Acme Radio	32	14	1.34	1.74	4.1	49	41	41
16	Acme Radio	32	14	1.34	1.74	4.1	49	41	41
17	Acme Radio	32	14	1.34	1.74	4.1	49	41	41
18	Acme Radio	32	14	1.34	1.74	4.1	49	41	41
19	Acme Radio	32	14	1.34	1.74	4.1	49	41	41
20	Acme Radio	32	14	1.34	1.74	4.1	49	41	41
21	Acme Radio	32	14	1.34	1.74	4.1	49	41	41
22	Acme Radio	32	14	1.34	1.74	4.1	49	41	41
23	Acme Radio	32	14	1.34	1.74	4.1	49	41	41
24	Acme Radio	32	14	1.34	1.74	4.1	49	41	41
25	Acme Radio	32	14	1.34	1.74	4.1	49	41	41
26	Acme Radio	32	14	1.34	1.74	4.1	49	41	41
27	Acme Radio	32	14	1.34	1.74	4.1	49	41	41
28	Acme Radio	32	14	1.34	1.74	4.1	49	41	41
29	Acme Radio	32	14	1.34	1.74	4.1	49	41	41
30	Acme Radio	32	14	1.34	1.74	4.1	49	41	41
31	Acme Radio	32	14	1.34	1.74	4.1	49	41	41
32	Acme Radio	32	14	1.34	1.74	4.1	49	41	41
33	Acme Radio	32	14	1.34	1.74	4.1	49	41	41
34	Acme Radio	32	14	1.34	1.74	4.1	49	41	41
35	Acme Radio	32	14	1.34	1.74	4.1	49	41	41
36	Acme Radio	32	14	1.34	1.74	4.1	49	41	41
37	Acme Radio	32	14	1.34	1.74	4.1	49	41	41
38	Acme Radio	32	14	1.34	1.74	4.1	49	41	41
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43	Acme Radio	32	14	1.34	1.74	4.1	49	41	41
44	Acme Radio	32	14	1.34	1.74	4.1	49	41	41
45	Acme Radio	32	14	1.34	1.74	4.1	49	41	41
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47	Acme Radio	32	14	1.34	1.74	4.1	49	41	41
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49	Acme Radio	32	14	1.34	1.74	4.1	49	41	41
50	Acme Radio	32	14	1.34	1.74	4.1	49	41	41
51	Acme Radio	32	14	1.34	1.74	4.1	49	41	41
52	Acme Radio	32	14	1.34	1.74	4.1	49	41	41

[illegible]

HOTELS—Continued									
Stock	Price	% Chg	Vol	High	Low	Open	Close	Pre	Set
Hotel of Man Assn.	60	-2	402	58	57	57	57	58	0
Hotel of Man Assn.	47	0	12	47	47	47	47	47	0
Hotel of Man Assn.	132	0	167	132	132	132	132	132	0
Hotel of Man Assn.	110	0	1	110	110	110	110	110	0
Hotel of Man Assn.	110	0	1	110	110	110	110	110	0
Hotel of Man Assn.	43	0	1	43	43	43	43	43	0
Hotel of Man Assn.	55	0	1	55	55	55	55	55	0
Hotel of Man Assn.	20	0	1	20	20	20	20	20	0
Hotel of Man Assn.	10	0	1	10	10	10	10	10	0
Hotel of Man Assn.	10	0	1	10	10	10	10	10	0
Hotel of Man Assn.	10	0	1	10	10	10	10	10	0
Hotel of Man Assn.	10	0	1	10	10	10	10	10	0
Hotel of Man Assn.	10	0	1	10	10	10	10	10	0
Hotel of Man Assn.	10	0	1	10	10	10	10	10	0
Hotel of Man Assn.	10	0	1	10	10	10	10	10	0
Hotel of Man Assn.	10	0	1	10	10	10	10	10	0
Hotel of Man Assn.	10	0	1	10	10	10	10	10	0
Hotel of Man Assn.	10	0	1	10	10	10	10	10	0
Hotel of Man Assn.	10	0	1	10	10	10	10	10	0
Hotel of Man Assn.	10	0	1	10	10	10	10	10	0
Hotel of Man Assn.	10	0	1	10	10	10	10	10	0
Hotel of Man Assn.	10	0	1	10	10	10	10	10	0
Hotel of Man Assn.	10	0	1	10	10	10	10	10	0
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Hotel of Man Assn.	10	0	1	10	10	10	10	10	0
Hotel of Man Assn.	10	0	1	10	10	10	10	10	0
Hotel of Man Assn.	10	0	1	10	10	10	10	10	0
Hotel of Man Assn.	10	0	1	10	10	10	10	10	0
Hotel of Man Assn.	10	0	1	10	10	10	10	10	0
Hotel of Man Assn.	10	0	1	10	10	10	10	10	0
Hotel of Man Assn.	10	0	1	10	10	10	10	10	0
Hotel of Man Assn.	10	0	1	10	10	10	10	10	0
Hotel of Man Assn.	10	0	1	10	10	10	10	10	0
Hotel of Man Assn.	10	0	1	10	10	10	10	10	0
Hotel of Man Assn.	10	0	1	10	10	10	10	10	0
Hotel of Man Assn.	10	0	1	10	10	10	10	10	0
Hotel of Man Assn.	10	0	1	10	10	10	10	10	0
Hotel of Man Assn.	10	0	1	10	10	10	10	10	0
Hotel of Man Assn.	10	0	1	10	10	10	10	10	0
Hotel of Man Assn.	10	0	1	10	1				

هكذا من الكحل



## COMMODITIES

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# Go-ahead for 20% gas price increases

BY ADRIAN HAMILTON

THE GAS CORPORATION has been given clearance to raise tariff prices by an average of 20 per cent, from October 1, but hopes to be able to avoid further rises for at least a year after this.

At the same time, however, it has come under considerable criticism from MPs for settling fixed price contracts with customers such as ICI.

The losses on these contracts, compared to what the corporation could get under current market conditions, amount to some £180m a year, of which half is attributable to the major 15-year gas contract with ICI signed six years ago. Mr. Anthony Wedgwood Benn, Energy Secretary, told a Commons Committee yesterday.

The industry's latest price increase, which follows a £32m loss recorded by the corporation in the last financial year 1974-75, is expected to bring in an additional £120m, of revenue to the industry this year and some £250m, in a full year.

Commenting on the corporation's annual results yesterday, however, Sir Arthur Hetherington, the corporation's chairman, said that he strongly hoped that the new prices could be maintained for "at least a year, provided that the attack on inflation succeeds."

The increase, he said, should be enough to prevent the industry suffering a further loss during the current financial year and could enable it to make a small profit.

As in the case of the last rise introduced at the beginning of

## STATE INDUSTRIES RESULTS

1974-75	Turnover £m.	Pre-tax profit (loss) £m.
British Steel	2,256	89
National Coal Board	1,590	(2.4)
Electricity Council	2,456	(2.58)
British Gas	1,204	(42)
Post Office	773	(307)
British Rail	915	(158*)

\* After crediting £154m. in grants 1 calendar year

the year, it has been structured to favour small consumers of gas and to bear most heavily on commercial and large domestic consumers.

Prices for customers using gas primarily for cooking and hot water may find their prices only rising a few per cent. Commercial customers and those on "gold star" central heating tariffs, on the other hand, will suffer rises averaging some 22 per cent, and in some cases going as high as 28 per cent.

The rise, which will take effect following the first meter reading after October 1, came under intense fire from the National Gas Consumers Council, although it has appeared more acceptable, at least in its relative weighting towards larger commercial and domestic heating users, to the Government.

The political row brewing up over the low price being paid for gas by ICI and some other large users of gas, on the other hand, appears to be causing considerably more irritation in the industry/Government relationship.

Closely questioned on the subject by MPs in the House of Commons, Mr. Benn revealed that ICI was paying only £20m a year for gas supplies under a 15-year contract compared to around £110m a year it would have to pay if it bought the gas to-day. The total shortfall by the industry on such contracts amounted to around £180m.

While this aroused the immediate wrath of Mr. Mike Thomas and other MPs present, it also aroused an equally strong reaction from the corporation.

The contract with ICI, the corporation declared, was a legally binding one; it had proved profitable for the industry; it had been signed at a time when competitive energy prices were low and the industry, diverted from selling to power stations, badly needed to establish a "base load" for its gas supplies and it was for gas to be used as feedstock—a situation in which the corporation had no prior rights as purchaser.

It was also signed against a background of 25-year fixed price contracts with the oil companies, which were saving the industry more than £600m a year compared to current gas costs.

Details, Page 9

## Summit underlines East-West splits

BY MALCOLM RUTHERFORD

HELSINKI, July 30.

THE SUMMIT meeting of the European Security Conference opened here to-day with smooth words about détente, but it was clear from the speeches that the fundamental divisions between Eastern and Western Europe remain as deep as ever.

The contrast could hardly have been starker than in the statements of Herr Helmut Schmidt, the West German Chancellor, and Herr Erich Honecker, the East German leader.

Herr Schmidt reaffirmed his Government's policy of "working for a state of peace in Europe in which the German nation will regain its unity through free self-determination."

Herr Honecker argued that the "decisive point of the security conference was the recognition of the inviolability of existing European frontiers and hence, by implication, of the division of Germany."

The contracts were no less marked when both sides spoke of the East-West force reduction talks in Vienna, which now seem likely to become the main focus of East-West diplomacy in Europe.

Western leaders who spoke today, including Mr. Harold Wilson and Mr. Pierre Trudeau, the Canadian Prime Minister, repeatedly referred to "mutual and balanced force reductions" (MBFR). The words "mutual" and "balanced" were missing from the statements by Herr Honecker and Mr. Todor Zhivkov, the Bulgarian party leader, today's East European speakers.

The Eastern leaders also failed to make reference to the greater freedom of movement of people and ideas between East and West which, from the Western viewpoint, was one of the main aims of the conference and was repeatedly stressed in today's Western speeches.

Herr Honecker simply described the documents which are to be signed here as "a code for the application of the principles of peaceful co-existence between states with different social systems."

He also flatly contradicted the Western interpretation of the documents by insisting the code had been agreed "under international law." The West says they are not binding and do not have the force of a treaty.

In a phrase which will infuriate the Chinese, who have made no secret of their dislike of this conference, Mr. Zhivkov said its conclusion would give a push forward to settling major world problems including "establishing a system of collective security in Asia."

It is assumed he was acting as a stalking horse for the Soviet party leader. Mr. Brezhnev, who speaks to-morrow, the Chinese claim that the Russians will now turn to imposing their ideas on the Asian continent.

Bilateral meetings were held between President Ford and Mr. Brezhnev. Chancellor Schmidt made a point of seeing all the East European leaders, including two meetings with Herr Honecker.

President Ford, having breakfasted with Mr. Wilson, had more than two hours of talks with Mr. Brezhnev this morning. He said afterwards they had been "very constructive, very friendly and very businesslike."

The two men are understood to have made progress on some of the outstanding problems in the Strategic Arms Limitation Treaty (SALT 2) and to have moved on to the Middle East, where the word is of continuing diplomacy, but an Israeli-Egyptian agreement "within weeks, not days."

President Ford and Mr. Brezhnev will meet again on Saturday and it is being taken for granted that the Soviet leader will go to Washington in the autumn to sign the second SALT agreement.

The heads of government of the European Community met while celebrated their progress to a joint foreign policy by holding a community summit over lunch.

Wilson opens summit Page 6

## Job cuts at BSC endorsed by union

BY LOUISE OLSAGER, Labour Staff

LEADERS of Britain's biggest steel trade union, yesterday reluctantly endorsed the deal struck with the British Steel Corporation late on Tuesday night designed to reduce labour costs through selective dismissals and cuts in earnings.

The executive of the Iron and Steel Trades Confederation, which has some 70,000 members in BSC, gave its blessing to the deal because it realised the difficulties the industry is going through at the moment, according to Mr. Bill Sims, the general secretary.

At the same time, he revealed that according to its chairman, BSC is sometimes unable to fulfil the orders it is receiving.

Mr. Sims said in a statement: "One reason for this is that the adverse effect of recent events on the morale of the workforce." As a result, customers were turning to imports which were losing thousands of British Steel workers their jobs.

Mr. Sims, who led the union side in the negotiations with BSC on Tuesday, said after the executive meeting that the deal "will involve more hardship for our members, particularly the provision for suspension of the guaranteed working week at selected plants and the authority for BSC to dismiss people who have been with the corporation for less than 12 months."

There were moves on the executive in have these two provisions struck out of the agreement, but an amendment to that effect was defeated by three votes to 10.

Mr. Sims acknowledged that the problem facing the unions now was to convince the rank and file membership to accept the deal. Both BSC and the Corporation plan to circulate the workforce with a copy of the agreement and their explanation why it was necessary.

Resistance would vary from plant to plant, depending on how hard it would hit.

But in each works the unions and local management would be free to discuss which of the individual measures envisaged they should introduce and try to find the most palatable.

10,000 men

Mr. Sims estimated that BSC would lose some 6,000 workers under the dismissal provisions. Moreover, the corporation had not replaced some 6,000 people who had left in recent months, so that over a 12-month period BSC would have shed more than 10,000 men.

BSC hopes that none of these jobs would ever have to be filled again even after the present recession is over. But the union will examine the situation for each plant once order books pick up again, Mr. Sims said.

He also voiced the fear that at some plants the workforce was so demoralised that there would be wholesale demands for redundancies, leading to closure. This was something the union wanted to avoid.

Dealers to be cut, Page 8

## Gowon's safety guaranteed by Nigerian leader

BY BRIDGET BLOOM, AFRICA CORRESPONDENT

IN HIS broadcast as Nigeria's new Head of State, Brigadier Mohammed Murtala said last night that the deposed General Gowon—who in Kampala yesterday accused the new regime—would be free to return to Nigeria with his family. But he roundly castigated General Gowon's rule, which he said "had become too insensitive to the true feelings of the people."

In a 15-minute speech in which he gave the reasons for Tuesday's military coup and announced new Government appointments, Brig. Mohammed said that Nigeria had been left to drift. "This situation, if not arrested, would inevitably have resulted in chaos and even bloodshed."

Giving an indication of deep-rooted army dissatisfaction with General Gowon's style of government, Brig. Mohammed declared that the "affairs of state hitherto a collective responsibility, became characterised by lack of consultation, indecision, indiscipline and even neglect."

Disillusion

"Along with the general public, the feeling of disillusion was also evident among members of the armed forces whose administration was neglected but who, out of sheer loyalty to the nation and in the hope that there would be a change, continued to suffer in silence."

Accusing General Gowon of being "virtually inaccessible" to his advisers and of ignoring the advice given, the new Head of State said that the trend of events was clearly incompatible with the philosophy and image of our corrective regime. He did not, however, indicate precise policies the new Government might adopt to alter this, merely saying that "a political programme would be announced in due course."

Many observers had been expecting Brig. Mohammed to announce the possible return of the Government to civilian hands, a promise which was made but not kept by Gen. Gowon.

However, in what was clearly intended to be a purge of the old administration, he announced the dismissal of all federal and state commissioners (ministers), the compulsory retirement of the senior forces officers, including all chiefs of staff, and the appointment of new officers. "All men, mostly of the rank of Colonel, to be Governors of the 12 States."

He also announced a change in the structure of government, with a new Federal Council of States, and said

that different panels would examine the suitability of congested Lagos as the federal capital and the propriety of creating additional States.

Brig. Mohammed declared that foreign nationals living in Nigeria would be protected, as would foreign investment. The Government would honour all obligations entered into by the previous Government, as well as continue support for the UN, the Commonwealth and the OAU.

The figures of the controversial 1974 census, which gave the north numerical advantage over the south, would be scrapped, and the 1963 figures used for planning purposes. The Black Arts Festival, due in November, would be postponed.

Calm

It seems clear, both from his speech and from the general calm in Lagos and the states, that Brig. Mohammed's Government has the broad support of the armed forces. On the lists available last night, less than a dozen officers excluding the state governors) have been retired, and the new leader's appointments to command positions in the three army divisions, as well as of the State Governors, suggest that this is to be a Government of the middle-to-higher rank officers, none above Brigadier.

It is not clear whether Brig. Mohammed intends to follow Gen. Gowon's practice of appointing civilians as ministers, and there is no indication yet whether he intends changes in the senior ranks of the Civil Service.

Reports from Lagos confirm Brig. Mohammed's assertion that the change has been entirely bloodless and that it has caused a minimum of disruption.

In Kampala, Gen. Gowon, gracefully accepting his deposition and pledging loyalty to the new Government, quoted Shakespeare before making his exit from a Press conference. "All the world's a stage, and all the men and women merely players; they have their exits and their entrances."

Pill no remedy for sunburn

SYLVASUN, a tablet rich in vitamin A, promoted with the claim that it helps prevent sunburn by "building up the skin's own natural resistance," should be withdrawn from sale on the grounds that it is ineffective, the Consumers Association advises the Committee on Safety of Medicines.

## THE LEX COLUMN

## The real role of equity capital

Index fell 3.3 to 288.5

If equity capital provides the basis on which companies' entire financing is built, it follows that over the longer term the returns which it offers must be competitive with alternative investments. Here the report provides its most devastating figures. In the ten years to 1973, aggregate dividends rose 16 per cent, but at about one third of the rate of earned incomes and other forms of

investment income (including imputed rent), and in real terms fell by 30 per cent. As a proportion of total personal income, dividends dropped from 4 to 2.3 per cent.

Overall return

In addition, the report updates the work done nine years ago by Merrett and Sykes in an attempt to indicate the overall return—capital as well as income—which has accrued to shareholders. This assumes that an investment is made in an index each year in January and sold a year later; the results, adjusted for inflation and smoothed on to a 5-year moving average, are shown in the chart.

Over the period 1948-74, the average annual return for a standard rate taxpayer was 2.6 per cent. Between 1965-1974, the standard rate taxpayer had an annual return of minus 2.9 per cent, while anyone at the top marginal rate lost an annual 5.8 per cent—made up of a 6.2 per cent capital loss offset by 0.4 per cent of dividends.

Of course the choice of the period is critical when making calculations of this sort. For instance, if 1971 is one of the overall returns since, rise by around two points, then this year's rally has nowhere near to offsetting impact of accelerating index of Zoete and Bevan's index at July 1971 has fallen a third in real terms over months, and by two-thirds its peak in 1968.

These figures provide answer to the "social justice" argument. Another take form of a new analysis of share ownership and dividend paying sectors. This shows the proportion of shares directly by individuals fell from 59 to 32 per cent, but 1963 and 1973. At the date, 2.1m taxpayers shares directly, but up to workers were members occupational pension schemes and 1.4m taxpayers had assurance savings.

Obviously these categories overlap substantially. Half the direct recipients of dividends and taxed interest loan stocks (bonds) had an income of less than £2,000 a year, and 45.9 per cent, total went to those who already drawing a national insurance retirement or pension.

The upper income bracket still claimed a disproportionate share of total dividends: half per cent, of taxpayers received 10 per cent of the But taxation has a levelling effect. Tax a gross receipts in the £1 bracket reached £11.88 in 1973—and that figure £2,365 net. Under a progressive tax system, any system of dividend control a disproportionately harsh on shareholders in the income ranges and on all rate taxpayers—notably pension funds.

Responsibility

Diamond accepts the no competitive returns on investments. If the Government rejects the message, it will take on the responsibility of channelling savers' money into itself: in the term, there is no middle And if the Government a report, it will have to consider not only the impact of dividend controls, but all the other constraints on returns in the corporate

Investment income (including imputed rent), and in real terms fell by 30 per cent. As a proportion of total personal income, dividends dropped from 4 to 2.3 per cent.

Moreover the role of equity capital may be interpreted in a qualitative as well as a quantitative manner. Any long term investment subject to fluctuating profitability requires some risk capital where a fixed return is not appropriate; in the private sector, this is provided by the shareholder, and it forms the basis for all other borrowing.

Diamond says that although there can be no precise notion of the ideal relationship between equity and debt, the rise in gearing during recent years has probably gone far enough. In 1950, the ratio of long term borrowings plus bank loans to shareholders' funds stood at 0.16. The figure had risen to 0.44 by 1970, and although it then fell back for a couple of years it is a safe bet that the ratio fairly whipped up in 1974.

The report gives new information on the distribution of share ownership, pointing to a fall in the proportion held by individuals from 59 per cent to 42 per cent, between 1963 and 1973, and a rise in the proportion held by insurance companies and pension funds.

The Commission has identified three main groups of individuals who benefit from dividends directly or indirectly: 2.1m. with direct holdings; up to 11m. members of occupational pension schemes; and 31m. in receipt of pensions and 14m. who save through life assurance.

The growth of dividends has lagged behind other kinds of income. Over the period 1963-73, aggregate dividends received by persons grew in money terms on average at about a third the rate of earned incomes and other forms of investment income.

In real terms, dividends fell by about 30 per cent, while other forms of income rose by amounts between 25 per cent and 35 per cent.

Any approach will be treated in the very strictest confidence.

Odgers and Co. are Management Consultants specialising in Executive Recruitment. We are extending our contacts with young executives of outstanding ability and ambition in the field of finance.

We would like to hear from men aged 28 to 40 who feel that in developing their careers over the next few years they should not rule out the possibility of a move to a bigger job in another company. We are interested particularly in those who are happy in their present positions and are doing well, but who nevertheless wish to keep in touch with the market so that if an outstanding opportunity comes along they will be in a position to learn more about it.

As a first step, please write to Ian H.D. Odgers, Managing Director, giving a brief summary of your experience, qualifications, age and salary. Alternatively, write asking for more information about Odgers and Co.

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## Wealth still concentrated

on inland Revenue figures. It shows that in 1973 the top 1 per cent of the adult population owned over a quarter of total wealth—each owning net assets worth £44,030 or more, while more than a half was accounted for by the top 5 per cent.

Rising house values have also played a sharp increase in the proportion of personal wealth held in the form of physical assets, from less than a third in 1960 to nearly a half in 1973. Houses account for a large proportion of wealth in the middle ranges.

The value of State pension rights, the report points out, is of major importance. Including this in the distribution of wealth has the effect of cutting the share of wealth held by the top 1 per cent, by a third; against this, the proportion held by the bottom 30 per cent of the population more than doubles.

The Commission says, has not shown any very pronounced changes since 1959, though there has again been a continuing shift in the share of wealth held by the top 5 per cent of earners and particularly the top 1 per cent.

In 1972-73, the top 10 per cent of income recipients, with an income of £2,857 or more, had over a quarter of total income before tax. The bottom 20 per cent, with incomes of less than £244, had rather more than a twentieth. The top 1 per cent, with an income of £8,236 or more before tax, accounted for 6.4 per cent of the total.

While the tax system was virtually neutral in its impact, the "social wage" and receipt of various benefits had a major effect in redistributing income. The companies report shows that in 1972-73, a tenth of the amount paid in dividends and interest went to the half per cent of taxpayers with incomes over £20,000, who received an average of £11,884 each in income from this source.

It also shows, however, that half the recipients of dividends had income of under £2,000 a year, and took just under a fifth of total dividends and interest paid to individuals.

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## Court Line

the statements were made in good faith, however, and "there is no question of the statements being in any way untrue or reckless."

In his report Sir Alan says he finds it difficult to agree with Mr. Wedgwood Benn's contention that the statements included an appropriate amount of reservation. In fact, the very use of the argument by Mr. Wedgwood Benn that the statements needed a measure of reservation "seems to me indeed to imply recognition of the need for inclusion of a suitable qualification."

"This need was not, in my view, met."

He also says that the Government could not have had full reliance in the information available to it.

"In the absence of a specific qualification of some kind, I am bound to conclude that the statements were liable to leave a misleading impression with the public."

He goes on to add that the inclusion of a qualification might have caused cancellations and the earlier collapse of Court Line. But he thinks that in fact most holidaymakers would have gone ahead in the clear knowledge that there was a risk involved. It would then have been difficult to find fault with the Government's actions.

Tory MPs were last night considering a censure motion on the former Industry Secretary, Mr. Wedgwood Benn.

It has already been announced that payments to Court Line victims are about to be made initially from the bond money, when tour operators are obliged to lodge.

Fifth Report of the Parliamentary Commissioner for Administration, Session 1974-1975, HANO, 30p. Court Line Limited, Inverclyde House, 163-165, St. James's Street, London W1. Interim Report, HANSO, £2.50.